

FREIGHT LINKS EXPRESS HOLDINGS (AUSTRALIA) LIMITED

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Company Secretary: Noel May

ASX Announcement for Release on Thursday, 29 November 2007

The Acquisition

The Board of Directors of Freight Links Express Holdings (Australia) Limited (the “Company”) is pleased to announce that together with DBPS Capital Pte Ltd (“DBPS”) it has entered into a conditional Sale & Purchase Agreement on 28 November 2007 (the “Sale & Purchase Agreement”) to acquire DB2 Realty Pte Ltd (“DB2”) from Leong Tiam Min, Yip Yan Jun and Saw Pik Kee. The Company will acquire a 51% stake and DBPS will acquire the balance of 49% in DB2.

The Company’s purchase of 510,000 shares is for a consideration of S\$5.3 million, arrived at on a “willing buyer willing seller” basis.

DB2 is a private real estate developer and investment holding company. DB2 has acquired 4 residential/commercial units and is in the process of further acquiring 8 more units of 2-storey residential/commercial units on a freehold site in Siglap, Singapore with a view to redeveloping the entire site into a mixed 4-storey complex with commercial units on the ground floor and residential units on the 3 upper floors (“Project Siglap”).

Upon completion of the building project, the intention is for DB2 to dispose of the residential units within the complex and retain ownership of the commercial units for rental income.

Project Financing

Upon securing the controlling interest in DB2, the Company will undertake Project Siglap estimated to cost about S\$106.0 million. The Company will initially fund Project Siglap with its existing internal funds and will procure further funding for Project Siglap as it develops. The project is targeted for completion in 2 years’ time. The Company and DBPS have agreed to provide a shareholder loan of S\$10.0 million each as working capital to DB2.

In view of the Company's proposed 51% acquisition of DB2, Khua Kian Keong, the Chairman of the Company, will provide financial assistance to DB2 to complete the purchase of the properties.

Conditions Precedent

The Sale & Purchase Agreement is subject to a number of conditions precedent being fulfilled prior to the completion date which includes the approval of the ASX and the shareholders of the Sale & Purchase Agreement, and the lifting of the suspension on trading of the Company's shares.

Rationale

The rationale for the proposed acquisition is:

- 1) This acquisition is proposed with a view to satisfy part of ASX's requirements for reinstatement of the Company on the ASX.
- 2) This project is in line with the Company's principal activities of property leasing and investment.
- 3) To have an operating business through property investment and income generation from the rental of the commercial units.
- 4) To maximize the utilization of the freehold land through redevelopment.

Directors' Interest

None of the Directors or controlling shareholder of the Company has any interest, direct or indirect, in the proposed investment.

Shareholders' Approval

The Company will provide more details through a circular to be sent to shareholders to seek their approval for this transaction.

ASX Approval

The Company wants to assure shareholders that it is actively working with ASX to ensure compliance with its requirements as a listed entity and is working towards its reinstatement.

Khua Kian Keong
Chairman
29 November 2007