

**FREIGHT LINKS EXPRESS HOLDINGS LIMITED**  
**(Incorporated in Singapore)**  
**Company Registration Number 198600061G**

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**PROPOSED ACQUISITION OF 60% OF THE TOTAL EQUITY INTEREST IN THE REGISTERED CAPITAL OF CITIC LOGISTICS CO., LTD (THE “ACQUISITION”)**

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**Introduction**

The Board of Directors (the “Board”) of Freight Links Express Holdings Limited (“Freight Links” or the “Company”) wishes to announce that its wholly owned subsidiary, Freight Links Capital Pte. Ltd. has entered into Share Purchase Agreements (the “Agreements”) with CITIC Auto Co., Ltd (“CITIC Auto”), Hainan Wantaide Industrial Co., Ltd (“Wantaide”), CITIC Guoan Group Company (“CITIC Guoan”) and CITIC Zhongyuan Industrial Co., Ltd (“CITIC Zhongyuan”), respectively, on 14 March 2008 for the acquisition of 60% of the equity interest in the registered capital of CITIC Logistics Co. Ltd (“CITIC Logistics”) (the “Share Equity”).

**Rule 1006 of the SGX-ST Listing Manual**

The relative figures pursuant to Rule 1006, using the latest audited accounts of the Company and its subsidiaries (the “Group”) as at 30 April 2007, are:-

(a) net asset value of the assets to be disposed of compared to group’s net asset value. This is not applicable to an acquisition of assets	Not applicable
(b) net profits <sup>(1)</sup> attributable to the assets acquired or disposed of, compared with the group’s net profits <sup>(1)</sup>	-9.4% <sup>(2)</sup>
(c) aggregate value of the consideration given or received, compared with the issuer’s market capitalisation	12.6% <sup>(3)</sup>
(d) number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

As none of the relative figures as computed on the bases above exceed 20%, the Acquisition does not constitute a major transaction under Rule 1013 of the Listing Manual and would not require the approval of the shareholders of the Company in a general meeting pursuant to Rule 1014.

**NOTES:**

- (1) Under Rule 1002(3)(b), “net profits” means profit or loss before income tax, minority interests and extraordinary items.
- (2) Determined by dividing the unaudited net loss of CITIC Logistics of approximately S\$1.58 million [RMB 7.91 million based on an exchange rate of S\$1:RMB5] by the Group’s latest audited consolidated net profit of S\$16.9 million for the financial year ended 30 April 2007.
- (3) Based on the aggregate value of the Consideration of approximately S\$17.28 million (RMB 86.4 million based on an exchange rate of S\$1:RMB5) and the market capitalisation of the Company of S\$136,694,076 as at 13 March 2008 (being the market day preceding the date of the Agreement). Under Rule 1002(5), the market capitalisation of Company is determined by multiplying the number of shares in issue being 2,102,985,784 shares and the closing market price of S\$0.065 per share on 13 March 2008.

**Information to be announced under Rules 1010 and 1013**

(1) *Particulars of the assets acquired*

The Company is acquiring 60% of the total equity interest in the registered capital of CITIC Logistics from CITIC Auto (25%), Wantaide (19%), CITIC Guoan (10%) and CITIC Zhongyuan (6%) respectively, which are the legal and beneficial owners of the Share Equity. CITIC Auto, Wantaide, CITIC Guoan and CITIC Zhongyuan are independent third parties and not related to the Directors or substantial shareholders of the Company.

The remaining 40% of the registered capital of CITIC Logistics is owned by Mr Li Weimin (30%) and CITIC Auto (10%), both of which are independent third parties and not related to the directors or substantial shareholders of the Company.

CITIC Logistics has the following subsidiaries and associated companies:

<b>Name</b>	<b>Registered Capital (RMB)</b>	<b>CITIC Logistics' Shareholding</b>
Shanghai Weiming Logistics Co., Ltd	RMB5,000,000	95%
Ningbo Lingxin Logistics Co., Ltd	US\$2,000,000	40%
CITIC Logistics Fritz Co., Ltd	RMB37,000,000	52%
Beijing CITIC Motor Sales Co., Ltd	RMB 5,880,000	49%
Luyou Logistics (Beijing) Co., Ltd	US\$ 2,500,000	35%
Beijing Zhonghang Yunxie Consultancy Services Co., Ltd	RMB10,000,000	80%
Beijing Weilun Technology Co., Ltd	RMB28,280,000	100%

Parties have agreed that the CITIC Logistics' auto logistics division, Beijing CITIC Motor Sales Co., Ltd and Luyou Logistics (Beijing) Co., Ltd are to be excluded from the Acquisition and would be disposed of by CITIC Logistics before the completion of the Acquisition.

(2) *A description of the trade carried on*

CITIC Logistics is engaged in the business of road freight transportation, mass bulk cargo transportation, hazardous goods transportation, domestic and international freight forwarding, technology development and consulting, customs clearance service, vehicle storage and safe keeping, packing and distribution services, etc.

The core services provided by CITIC Logistics are chemical logistics (warehouse and transportation of dangerous good and chemicals) and engineering (transportation of heavy cargoes for projects).

Currently, all of CITIC Logistics' services are provided within the PRC.

- (3) *The aggregate value of the consideration, including factors taken into consideration in arriving at the value of the consideration*

The total consideration for the Acquisition is RMB86.4 million, equivalent to approximately S\$17.28 million (based on an exchange rate of S\$1:RMB5). Based on the unaudited financial statement of the CITIC Logistics for the financial year ended 31 December 2007, the total investment amount represents 49.5% premium over the net tangible asset value of approximately S\$11.56 million [RMB 57.8 million] for the 60% equity stake in CITIC Logistics.

- (4) *Any material conditions, including put and call options*

The Agreements are subject to the approvals by the relevant authorities including PRC Ministry of Transport and Ministry of Commerce. .

- (5) *The value of the assets being acquired*

See paragraph 3 above

- (6) *Source of Funds*

The Acquisition is to be funded from a mix of external borrowings and internal resources of the Group.

- (7) *The net profits attributable to the assets being acquired*

CITIC Logistics has an unaudited net loss of approximately S\$1.58 million [RMB 7.91 million based on an exchange rate of S\$1:RMB5] for the financial year ended 31 December 2007. The net loss of CITIC Logistics is mainly due to the RMB 3 million loss incurred by auto logistics division and the RMB 3 million one-time lease expense which are non-recurrent. Parties have agreed that the carve-out date for the disposal of the auto logistics division shall be at 30 June 2007.

- (8) *The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year*

Assuming that the Acquisition had been effected on 30 April 2007, the net tangible assets per share of the Company as at 30 April 2007 would be as follows:

	<b>Before the Acquisition</b>	<b>After the Acquisition</b>
NTA per share (S\$ cents)	4.93	4.61

- (9) *The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year*

The financial effect of the Acquisition on the earnings per share of the Company for the financial year ended 30 April 2007 assuming that the Acquisition had been effected on 1 May 2006 would be as follows:

	Before the Acquisition	After the Acquisition
Earnings per share (S\$ cents)	0.70	0.53

- (10) *The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction*

The Company is of the view that the Acquisition will be in the best interests of the Company for the following reasons:-

- (i) the Acquisition presents an opportunity to purchase a controlling stake in a state owned enterprise where the name of CITIC is well regarded in China;
- (ii) the Acquisition will further enable the Group to make inroad into the China market and increase its range of services in the field of chemical and engineering logistics;
- (iii) both the Group and CITIC Logistics have a strong presence in the PRC. The Group expects to derive synergies by integrating all or part of its operations with those of CITIC Logistics upon completion of the Acquisition.

- (11) *Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests*

None of the Directors or controlling shareholders has any interest, direct or indirect, in the transaction.

- (12) *Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction*

Nil.

#### **Documents for Inspection**

The Share Purchase Agreements dated 14 March 2008 are available for inspection during normal business hours at the Company's registered address at 51 Penjuru Road #04-00, Freight Links Express Logisticentre, Singapore 609143 for three (3) months from the date hereof.

By Order of the Board

Thomas Woo  
Executive Director & CFO

19 March 2008