

FREIGHT LINKS EXPRESS HOLDINGS LIMITED
(Company Registration Number: 198600061G)

Update on Investment in Associate, Fudao Petrochemicals Group Pte Ltd

Freight Links Express Holdings Limited (the Company) wishes to advise that its associate company Fudao Petrochemicals Group Pte Ltd (Fudao) has divested 51% interest in its subsidiary, Rizhao Yuanfeng Asphalt Chemical Industry Co., Ltd (Yuanfeng Asphalt) on 14 December 2007 to Shandong Shi Da Science and Technology Group Co., Ltd (山东石大科技集团有限公司) (SSTG) for a cash consideration of RMB 76.5 million. Following the sale, Fudao shareholding in Yuanfeng Asphalt decreased from 100% to 49%. Yuanfeng Asphalt has ceased to be a subsidiary and has become an associate company of Fudao.

SSTG is owned by China University of Petroleum Holdings Ltd (中石大控股有限公司), a state-owned company wholly owned by China University of Petroleum (中国石油大学). SSTG's acquisition of 51% in Yuanfeng Asphalt has valued the total asset of the entire company at RMB 420 million, excluding debts of RMB 270 million. The consideration was arrived at 51% of net assets value of Yuanfeng Asphalt. Based on an external valuation report, the net assets value is RMB 150 million as at 30 September 2007.

The entry of SSTG as a majority shareholder has brought significant benefits and value to Yuanfeng Asphalt in terms of technical knowhow and expertise in the petrochemical industry. In addition, as a state-owned enterprise, SSTG has extensive connections to commercial and government agencies that will be useful to the business.

SSTG and Fudao have also entered into a Debt Restructuring Agreement to assume the debts of Yuanfeng Asphalt amounting to RMB 270 million in the same proportion to their new shareholding interests.

SSTG has an option to acquire an additional 24% shareholding in Yuanfeng Asphalt for one year period from 2 December 2007. The share transfer price is agreed at RMB 36 million based on 24% of the net assets value of Yuanfeng Asphalt.

The above transaction is not expected to have a material effect on the consolidated net tangible assets per share and earnings per share of the Company for the current financial year.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Thomas Woo
Executive Director & CFO,
Singapore, 16 April 2008