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

Unaudited First Quarter Financial Statement Announcement for the Three Months Ended 31 July 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group		
	S$'000		%
	3 months ended 31/07/08	3 months ended 31/07/07	Increase/ (Decrease)
Revenue	37,760	33,255	13.5
Other income	1,751	1,840	(4.8)
Accretion of deferred revenue	747	747	-
Freight and related costs	(21,750)	(19,368)	12.3
Rental expenses on operating leases	(3,618)	(3,076)	17.6
Warehouse upkeep and related costs	(1,138)	(1,112)	2.3
Exhibition design and build costs	(1,034)	(1,349)	(23.4)
Staff costs	(5,646)	(5,159)	9.4
Depreciation of property, plant and equipment	(1,246)	(985)	26.5
Other expenses	(1,889)	(1,518)	24.4
	3,937	3,275	20.2
Finance income	317	322	(1.6)
Finance expense	(1,319)	(1,156)	14.1
Net finance costs	(1,002)	(834)	20.1
Share of profit of associates, net of tax	245	312	(21.5)
Profit before income tax	3,180	2,753	15.5
Income tax expense	(426)	(553)	(23.0)
Profit for the period	2,754	2,200	25.2
Attributable to :			
Equity holders of the Company	2,533	2,040	24.2
Minority interests	221	160	38.1
Profit for the period	2,754	2,200	25.2

Notes to Income Statement Additional Disclosure Items	3 months ended 31/07/2008 S$'000	3 months ended 31/07/2007 S$'000
Gain/(loss) on fair value of interest rate swap contracts	260	(164)
Loss on fair value of marketable securities	(411)	(9)
Gain on disposal of marketable securities	-	180
Interest income on convertible loans to associates	698	957
Interest income on redeemable cumulative convertible preference shares in an associate	353	254
Dividends received	153	124
Gain on disposal of property, plant and equipment	14	3
Foreign exchange gain	633	557
Accretion of deferred revenue	747	747
Current year tax provision	(573)	(527)
Provision of deferred tax liabilities	(50)	(50)
Over provision for tax in respect of prior years	197	24

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 31/07/08	As at 30/04/08	**As at 31/07/08**	As at 30/04/08
	S$'000	S$'000	**S$'000**	S$'000
Non-current assets				
Property, plant and equipment	100,275	97,326	584	606
Intangible assets	982	982	-	-
Investment properties	9,000	9,000	-	-
Subsidiaries	-	-	17,775	17,775
Associates and Joint venture	49,836	48,525	39,711	38,738
Club Membership	53	53	22	22
Other investments	4,372	4,183	4,363	4,183
Other receivables	6,924	7,009	86,785	83,777
Deferred tax assets	1,002	896	-	-
	172,444	167,974	149,240	145,101
Current assets				
Trade and other receivables	59,767	45,301	10,521	10,238
Other investments	1,300	1,698	-	-
Cash and cash equivalents	33,872	43,266	8,450	12,521
	94,939	90,265	18,971	22,759
Non current assets held for sale	18,075	18,221	-	-
	113,014	108,486	18,971	22,759
Total assets	285,458	276,460	168,211	167,860
Equity attributable to equity holders of the Company				
Share Capital	73,723	73,705	73,723	73,705
Other reserves	9,578	9,324	7,164	7,167
Accumulated profits	46,153	43,620	21,291	20,471
	129,454	126,649	102,178	101,343
Minority interests	11,621	11,204	-	-
Total equity	141,075	137,853	102,178	101,343
Non-current liabilities				
Financial liabilities	40,408	33,488	97	109
Other payables	8,899	9,647	20,108	20,564
Deferred tax liabilities	-	-	4	4
	49,307	43,135	20,209	20,677
Current liabilities				
Trade and other payables	32,769	34,026	1,000	994
Financial liabilities	59,174	58,934	42,999	43,037
Current tax payables	3,133	2,512	1,825	1,809
	95,076	95,472	45,824	45,840
Total liabilities	144,383	138,607	66,033	66,517
Total equity and liabilities	285,458	276,460	168,211	167,860

Notes on the Balance Sheets

a) The increase in property, plant and equipment relates mainly to the additional capital expenditure incurred for the new logistics hub in Tuas Avenue 10 and the Additions and Alterations works on the existing warehouse at Penjuru Lane.

b) The increase in investment in associates is due to group share of profits and foreign exchange gain in associates and amortised interest income on loan to an associate.

c) Other receivables include an amount of $16.64 million being prepayment for the purchase acquisition of 60% of the registered capital of Citic Logistics Co., Ltd. The Company has fulfilled and completed its obligations under the Sale and Purchase Agreement. The full completion of the acquisition is subject to the fulfillment of certain conditions including the registration of the transfer of equity interest and other relevant changes to the operating licence with the Commercial Affairs Bureau.

d) The decrease in group's cash and cash equivalents was mainly due to internal funding for the acquisition of Citic Logistics Co., Ltd.

e) The increase in financial liabilities was due to bank loans taken for investments, logistics infrastructure development projects and for general working capital.

f) At Company level, the current financial liabilities included the floating rate notes (FRN) of $29.8 million and transferable loan facility (TLF) of $10.85 million. The repayment of FRN and TLF maturing in March 2009 will be funded from the proceeds from the exercise of warrants.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

	As at 31/07/08		As at 30/04/08	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Borrowings	55,967	-	57,476	-
Finance lease liabilities	3,207	-	1,458	-
Total	59,174	-	58,934	-

Amount repayable after one year

	As at 31/07/08		As at 30/04/08	
	Secured	Unsecured	Secured	Unsecured
	S$'000	S$'000	S$'000	S$'000
Borrowings	37,834	-	31,135	-
Finance lease liabilities	2,574	-	2,353	-
Total	40,408	-	33,488	-

Details of any collateral

The bank borrowings of the Group are guaranteed by the Company and are secured by legal mortgages over the Group's freehold and leasehold properties. The finance lease liabilities are secured by the assets under finance leases.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flow Statement

	Three Months Ended 31/07/08 S$'000	Three Months Ended 31/07/07 S$'000
Operating activities		
Profit before income tax	3,180	2,753
Adjustments for:		
Depreciation of property, plant and equipment	1,246	985
Loss on fair value of marketable securities	411	9
Gain on disposal of marketable securities	-	(180)
Gain on disposal of property, plant and equipment	(14)	(3)
Share of profit of associates	(245)	(312)
Accretion of deferred revenue	(747)	(747)
Dividends received	(153)	(124)
Gain/(loss) on fair value of interest rate swap contracts	(260)	164
Foreign exchange gain	(633)	(557)
Finance costs	1,319	1,156
Finance income	(317)	(322)
Interest income on :		
- convertible loans to associates	(698)	(957)
- redeemable cumulative convertible preference shares in an associate	(353)	(254)
	2,736	1,611
Changes in working capital:		
Trade and other receivables	(14,906)	(1,022)
Trade and other payables	(1,259)	1,989
Foreign currency translation	369	1,031
Cash (used in)/generated from operations	(13,060)	3,609
Income taxes refunded	120	24
Income taxes paid	(4)	(204)
Cash flow from operating activities	(12,944)	3,429
Investing Activities		
Proceeds from sale of property, plant and equipment	49	7
Purchase of property, plant and equipment	(3,829)	(4,881)
Acquisition of shares in associates and joint venture	(96)	-
Acquisition of shares in subsidiaries	-	491
Purchase of other investments	(13)	-
Proceeds from sale of other investments	-	1,386
Dividends received	2	-
Finance income	264	449
Interest income on convertible loans to associates	1,000	687
Cash flow from investing activities	(2,623)	(1,861)

	Three Months Ended	
	31/07/08	31/07/07
	S$'000	S$'000
Financing Activities		
Proceeds from exercise of warrants	15	3,326
Proceeds from borrowings	8,329	2,000
Repayment of borrowings	(791)	(820)
Payment of finance lease liabilities	(244)	-
Finance costs	(443)	(313)
Cash flows from financing activities	6,866	4,193
Net (decrease)/ increase in cash and cash equivalents	(8,701)	5,761
Cash and cash equivalents at beginning year	42,106	22,641
Effect of exchange rate fluctuation on cash held	(214)	(542)
Cash and cash equivalents at end of year	33,191	27,860
Cash and cash equivalents comprise the following:-		
Cash at bank and in hand	17,799	14,567
Deposits with banks	16,073	14,610
Cash and cash equivalents	33,872	29,177
Bank overdrafts	(681)	(1,317)
Cash and cash equivalents in the cash flow statement	33,191	27,860

1(d)(i)A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Changes in Equity

	Share capital $'000	Capital reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to equity holders of the company $'000	Minority interests $'000	Total equity $'000
Group							
At 1 May 2008	73,705	7,167	2,157	43,620	126,649	11,204	137,853
Translation differences relating to financial statements of foreign subsidiaries	-	-	257	-	257	196	453
Net gains recognised directly in equity	-	-	257	-	257	196	453
Net profit for the period	-	-	-	2,533	2,533	221	2,754
Total recognised income and expenses for the period	-	-	257	2,533	2,790	417	3,207
Exercise of warrants	3	(3)	-	-	-	-	-
Issue of new shares	15	-	-	-	15	-	15
At 31 July 2008	73,723	7,164	2,414	46,153	129,454	11,621	141,075
At 1 May 2007	47,969	8,456	2,211	30,738	89,374	6,179	95,553
Translation differences relating to financial statements of foreign subsidiaries	-	-	382	-	382	-	382
Net gains recognised directly in equity	-	-	382	-	382	-	382
Net profit for the period	-	-	-	2,040	2,040	160	2,200
Total recognised income and expenses for the period	-	-	382	2,040	2,422	160	2,582
Exercise of warrants	665	(665)	-	-	-	-	-
Issue of new shares	3,326	-	-	-	3,326	-	3,326
Acquisition of minority interests	-	-	-	-	-	608	608
At 31 July 2007	51,960	7,791	2,593	32,778	95,122	6,947	102,069

Statement of Changes in Equity - Company

	Share capital $'000	Capital reserve $'000	Accumulated profits $'000	Total equity $'000
At 1 May 2008	73,705	7,167	20,471	101,343
Net profit for the period	-	-	820	820
Exercise of warrants	3	(3)	-	-
Issue of new shares	15	-	-	15
At 31 July 2008	73,723	7,164	21,291	102,178
At 1 May 2007	47,969	8,456	22,357	78,782
Net profit for the period	-	-	730	730
Exercise of warrants	665	(665)	-	-
Issue of new shares	3,326	-	-	3,326
At 31 July 2007	51,960	7,791	23,087	82,838

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Details of any changes in the company's issued share capital

	Number of Ordinary shares	Paid-up Capital $'000
As at 1 May 2008	2,102,985,784	73,705
Exercise of warrants during the period	301,318	18
Issue of new shares	-	-
As at 31 July 2008	2,103,287,102	73,723

The number of outstanding warrants is as follows:-	As at 31/07/08	As at 30/4/08
Warrants	767,067,574	767,368,892

Treasury shares
The Company did not hold any treasury shares as at 31 July 2008

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computations in the financial statement for the current financial period compared with the audited financial statements for the financial year ended 30 April 2008.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share	**3 months ended 31/07/08**		3 months ended 31/07/07	
(a) Based on the weighted average number of ordinary shares on issue	**0.12**	**Cent**	0.11	Cent
(b) On a fully diluted basis	**0.11**	**Cent**	0.09	Cent

The basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 2,103,303,051 (31 July 2007: 1,843,337,055).
The fully diluted earning per share is calculated based on the weighted average number of ordinary shares of 2,280,318,645 (31 July 2007: 2,369,538,937).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	As at 31/07/08	As at 30/4/08
Net assets value per ordinary share	**Cents**	
The Group	**6.15**	6.02
The Company	**4.86**	4.83

Net asset value per share is calculated based on 2,103,287,102 (30 April 2008: 2,102,985,784) ordinary shares in issue at the end of the financial year under review and of the immediately preceding financial year.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

For the 1st quarter ended 31 July 2008 (1Q09), Group turnover rose by $4.5 million or 13.5% to $37.8 million from $33.3 million in the previous corresponding quarter. The increase in Group turnover was contributed largely by freight forwarding business, warehousing and chemical storage and logistics.

Other income included interests and dividends from investments, foreign exchange gain, fair value gain/loss on interest rate swaps and short term equity investments.

The earnings (net of losses) from associates mainly derived from Malaysia which contributed $306,000 to the Group's net profit.

Freight and transportation costs and rental expenses were generally higher due to the increased business volume. Exhibition design and build cost was lower as a result of fewer exhibition projects.

The increase in staff costs was mainly due to additional head count and annual salary adjustments in July 08.

The higher depreciation of property, plant and equipment was due to the additional capital expenditure incurred for the warehouse complexes.

Other expenses increased due to start up costs and professional fees incurred in setting up new offices in Dubai and the legal and financial due diligence fees for new acquisitions in China.

The finance income comprised mainly interest income from fixed deposits. The increase in finance costs was due to higher bank borrowings.

Tax expense was lower mainly due to write back of overprovision of income tax in prior years.

Consequently, Group profit after tax and minority interest grew by $493,000 or 24.2% to $2.5 million compared to $2.0 million in 1Q08.

As at 31 July 2008, the Group has cash and cash equivalents of $33.9 million compared to $43.3 million as at 30 April 2008. Net of cash, gearing remained low at 0.5 times.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The current announced results are in line with the general market conditions as previously described in the last full year Financial Statement Announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The completion of the 7-storey warehouse complex at Tuas Ave 10 with Temporary Occupation Permit expected any time soon will contribute positively to the warehousing revenue in the current financial year.

The consolidation of financial statements of Citic Logistics Co., Ltd and its subsidiaries is expected in the next reporting period and it would have an impact on the group's results. The Group is currently assessing the financial impact of the acquisition.

The sale of investment property at 30/32 Tuas Ave 8 to a trustee of a private estate investment trust is likely to be completed by November 2008 and it would have a positive impact on the group's results for the 3rd quarter reporting.

Looking ahead, the Group remains cautiously optimistic about its business prospects despite the volatility in global markets and increased inflationary pressures on costs.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable

13. Interested Person Transactions

There are no interested person transactions for the period 1 May 2008 to 31 July 2008.

14. Confirmation pursuant to the SGX Listing Rule 705 (4) of the Listing Manual

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the period ended 31 July 2008 to be false or misleading in any material respect.

BY ORDER OF THE BOARD
Freight Links Express Holdings Limited

Thomas Woo
Executive Director & CFO
11 September 2008