

**FREIGHT LINKS EXPRESS HOLDINGS LIMITED**  
**(Company Registration No. 198600061G)**

**Unaudited Second Quarter and Half Year Financial Statement Announcement Ended 31 October 2010**

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

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

**Consolidated Income Statement**

	The Group			The Group		
	3 months ended 31/10/2010	3 months ended 31/10/2009	Increase/ (Decrease)	6 months ended 31/10/2010	6 months ended 31/10/2009	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	36,188	30,694	17.9	72,793	61,338	18.7
Other income	431	1,083	(60.2)	765	2,527	(69.7)
Accretion of deferred revenue	748	748	-	1,495	1,495	-
Freight and related costs	(18,366)	(15,791)	16.3	(37,845)	(30,929)	22.4
Rental expenses on operating leases	(4,578)	(3,651)	25.4	(9,001)	(7,368)	22.2
Warehouse upkeep and related costs	(1,831)	(955)	91.7	(3,731)	(2,054)	81.6
Exhibition design and build costs	(787)	(721)	9.2	(1,262)	(1,296)	(2.6)
Staff costs	(5,823)	(5,423)	7.4	(11,604)	(10,875)	6.7
Depreciation of property, plant and equipment	(1,747)	(1,482)	17.9	(3,482)	(2,952)	18.0
Other operating expenses	(3,115)	(3,677)	(15.3)	(4,400)	(7,541)	(41.7)
<b>Results from operating activities</b>	<b>1,120</b>	<b>825</b>	<b>35.8</b>	<b>3,728</b>	<b>2,345</b>	<b>59.0</b>
Finance income	130	516	(74.8)	210	997	(78.9)
Finance expense	(348)	(661)	(47.4)	(772)	(1,403)	(45.0)
<b>Net finance costs</b>	<b>(218)</b>	<b>(145)</b>	<b>50.3</b>	<b>(562)</b>	<b>(406)</b>	<b>38.4</b>
Share of profit of associates, net of tax	372	327	13.8	792	228	247.4
<b>Profit before income tax</b>	<b>1,274</b>	<b>1,007</b>	<b>26.5</b>	<b>3,958</b>	<b>2,167</b>	<b>82.6</b>
Income tax expense	(347)	(154)	125.3	(691)	(601)	15.0
<b>Profit for the period</b>	<b>927</b>	<b>853</b>	<b>8.7</b>	<b>3,267</b>	<b>1,566</b>	<b>108.6</b>
<b>Attributable to:</b>						
Equity holders of the Company	952	761	25.1	3,354	1,284	161.2
Non-controlling interests	(25)	92	n.m.	(87)	282	n.m.
<b>Profit for the period</b>	<b>927</b>	<b>853</b>	<b>8.7</b>	<b>3,267</b>	<b>1,566</b>	<b>108.6</b>

N.M. denotes Not Meaningful

**Notes to Income Statement**  
**(a) Additional Disclosure Items**

	3 months ended	3 months ended	6 months ended	6 months ended
	31/10/2010	31/10/2009	31/10/2010	31/10/2009
	S\$'000	S\$'000	S\$'000	S\$'000
Gain on fair value of interest rate swaps	-	83	-	92
Gain on fair value of marketable securities	146	55	34	482
Interest income on convertible loans to an associate	215	621	440	1,241
Dividend income	52	1	85	3
Gain on disposal of property, plant and equipment	29	-	37	195
Gain on disposal of marketable securities	-	26	-	26
Foreign exchange loss	(1,603)	(2,144)	(1,521)	(3,790)
Bad debts recovered	2	3	2	4
Bad debts written off	-	(1)	-	(2)
Allowance for doubtful trade receivables	(4)	-	(4)	-
Allowance for doubtful receivables written back	3	1	6	3
Write-off of receivables from an associate	-	-	-	(809)
Current year tax provision	(349)	(104)	(665)	(501)
Provision of deferred tax liabilities	2	(50)	4	(100)
Under provision for tax in respect of prior years	-	-	(30)	-

- (b) Other income decreased mainly due to lower gain on fair value of marketable securities and lower interest income on convertible loan to a PRC associate resulting from partial loan redemption in 4Q10. There was also absence of job credit cash grants with effect from 1 July 2010.
- (c) The increase in freight costs was in tandem with higher volume and freight rates.
- (d) Rental expense increased due to additional rental of warehouse, lorries, forklifts and equipments for the chemical logistics business as a result of strong demand. There was also an upward revision in JTC land rental rates and the 15% rental rebate was no longer extended to companies.
- (e) Warehouse upkeep and related costs increased mainly due to phase out of property tax rebate, refund of property tax in 2Q10 and upward revision of annual value of warehouses. There was also higher building repair and maintenance costs.
- (f) Staff costs increased as business improved in line with the economic recovery.
- (g) The increase in depreciation of property, plant and equipment was mainly due to the completion of the chemical warehouse in November 2009 and the purchase of prime movers, trailers and trucks in response to the increase in demand for services.
- (h) The decrease in other operating expenses was mainly due to the lower foreign exchange loss and write-off of receivable from a PRC associate in China in 1Q10.
- (i) The decrease in finance income was due to loan receivable from Citic Logistics Co., Ltd being fully repaid in April 2010.
- (j) Lower finance expense was attributable to progressive repayment of bank borrowings.

**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**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31/10/2010</b>	<b>As at 30/04/2010</b>	<b>As at 31/10/2010</b>	<b>As at 30/04/2010</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	41,385	106,771	387	423
Intangible assets	1,454	982	-	-
Investment properties	-	25,700	-	-
Subsidiaries	-	-	12,152	12,263
Associates	38,106	38,745	24,577	25,873
Club membership	51	50	22	22
Other receivables	2,463	2,208	92,697	86,077
	<b>83,459</b>	<b>174,456</b>	<b>129,835</b>	<b>124,658</b>
<b>Current assets</b>				
Trade and other receivables	46,050	35,298	3,461	2,907
Other investments	12,234	193	11,385	-
Cash and cash equivalents	19,988	38,517	1,940	21,316
	<b>78,272</b>	<b>74,008</b>	<b>16,786</b>	<b>24,223</b>
Non current assets held for sale	90,207	-	-	-
	<b>168,479</b>	<b>74,008</b>	<b>16,786</b>	<b>24,223</b>
<b>Total assets</b>	<b>251,938</b>	<b>248,464</b>	<b>146,621</b>	<b>148,881</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	80,149	75,116	80,149	75,116
Other reserves	9,250	9,186	7,082	7,082
Accumulated profits	56,872	60,978	18,941	27,299
	<b>146,271</b>	<b>145,280</b>	<b>106,172</b>	<b>109,497</b>
<b>Non-controlling interests</b>	4,908	5,360	-	-
<b>Total equity</b>	<b>151,179</b>	<b>150,640</b>	<b>106,172</b>	<b>109,497</b>
<b>Non-current liabilities</b>				
Financial liabilities	46,877	48,666	10,458	11,593
Other payables	2,173	3,668	23,404	24,082
Deferred tax liabilities	502	511	4	4
	<b>49,552</b>	<b>52,845</b>	<b>33,866</b>	<b>35,679</b>
<b>Current liabilities</b>				
Trade and other payables	35,670	34,664	892	852
Financial liabilities	14,205	8,837	5,285	2,300
Current tax payables	1,332	1,478	406	553
	<b>51,207</b>	<b>44,979</b>	<b>6,583</b>	<b>3,705</b>
<b>Total liabilities</b>	<b>100,759</b>	<b>97,824</b>	<b>40,449</b>	<b>39,384</b>
<b>Total equity and liabilities</b>	<b>251,938</b>	<b>248,464</b>	<b>146,621</b>	<b>148,881</b>

## Notes on the Balance Sheets

- a) Decrease in property, plant & equipment relates to the three properties at 51 Penjuru Rd, 33 & 35 Penjuru Lane and 18 Gul Drive which were reclassified as assets held for sale under current assets.
- b) Increase in intangible asset was attributed to goodwill on consolidation arising from the 51% equity interest in Sabana Investment Partners Pte Ltd (SIP) which was acquired in August 2010.
- c) Decrease in investment properties relates to two properties at 30 & 32 Tuas Avenue 8 and 218 Pandan Loop which were reclassified as assets held for sale under current assets.
- d) At Company level, the increase in non-current other receivables was mainly due to advances extended to a subsidiary for the progressive payments for warehouse construction costs.
- e) Increase in trade and other receivables included amounts due from Sabana REIT being payment made on behalf by SIP for the option fees, professional and IPO related fees, and the deposit paid for the purchase of property at 47 Changi South Avenue 2.
- f) Increase in other investments was due to the purchase of corporate bonds for higher yield.
- g) Decrease in cash and cash equivalents was mainly due to the purchase of corporate bonds, payment for the warehouse construction costs, repayment of bank borrowings and dividend payouts to shareholders.
- h) Increase in share capital was due to the scrip dividend of 91,507,897 new shares allotted to shareholders.
- i) Increase in financial liabilities was due to additional bank borrowings to fund the warehouse construction costs.
- j) Other payables under non-current liabilities decreased due to recognition of deferred revenue to income statement.

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

**Amount repayable in one year or less, or on demand**

	As at 31/10/2010		As at 30/04/2010	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Borrowings	12,890	-	7,539	-
Finance lease liabilities	1,315	-	1,298	-
Total	14,205	-	8,837	-

**Amount repayable after one year**

	As at 31/10/2010		As at 30/04/2010	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Borrowings	44,804	-	46,322	-
Finance lease liabilities	2,073	-	2,344	-
Total	46,877	-	48,666	-

**Details of any collateral**

The bank borrowings of the subsidiaries 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

<u>Consolidated Cash Flow Statement</u>	<u>3 months</u> <u>ended</u> <u>31/10/2010</u> <u>S\$'000</u>	<u>3 months</u> <u>ended</u> <u>31/10/2009</u> <u>S\$'000</u>	<u>6 months</u> <u>ended</u> <u>31/10/2010</u> <u>S\$'000</u>	<u>6 months</u> <u>ended</u> <u>31/10/2009</u> <u>S\$'000</u>
<b>Operating activities</b>				
Profit before income tax	1,274	1,007	3,958	2,167
Adjustments for:				
Depreciation of property, plant and equipment	1,747	1,482	3,482	2,952
Gain on disposal of property, plant & equipment	(29)	-	(37)	(195)
Write-off of receivables from an associate	-	-	-	809
Gain on financial assets at fair value through profit or loss (net):				
- marketable securities	(146)	(55)	(34)	(482)
- interest rate swaps	-	(83)	-	(92)
Gain on sale of marketable securities	-	(26)	-	(26)
Share of profit of associates	(372)	(327)	(792)	(228)
Accretion of deferred revenue	(748)	(748)	(1,495)	(1,495)
Dividend income from financial assets at fair value through profit or loss	(52)	(1)	(85)	(3)
Finance expense	348	661	772	1,403
Finance income	(130)	(516)	(210)	(997)
Interest income on convertible loans to an associate	(215)	(621)	(440)	(1,241)
Foreign exchange loss	1,385	1,270	1,297	2,261
	<u>3,062</u>	<u>2,043</u>	<u>6,416</u>	<u>4,833</u>
Changes in working capital:				
Trade and other receivables	(4,940)	2,111	(5,958)	1,783
Trade and other payables	2,233	421	3,715	863
Cash generated from operations	<u>355</u>	<u>4,575</u>	<u>4,173</u>	<u>7,479</u>
Income taxes refunded	-	197	-	197
Income taxes paid	(479)	(380)	(845)	(606)
<b>Cash flow (used in)/from operating activities</b>	<u>(124)</u>	<u>4,392</u>	<u>3,328</u>	<u>7,070</u>
<b>Investing activities</b>				
Proceeds from sale of property, plant and equipment	34	1	42	210
Purchase of property, plant and equipment	(1,423)	(3,289)	(6,775)	(6,275)
Acquisition of shares in an associate	-	(17)	-	(1,138)
Acquisition of subsidiaries, net of cash acquired	(1,289)	-	(1,289)	-
Prepayment of proposed investment in Citic Logistics Co., Ltd	-	-	-	(5,697)
Dividends received				
- financial assets at fair value through profit or loss	52	-	85	3
- an associate	-	-	195	149
Purchase of other investments	(11,385)	-	(12,007)	-
Proceeds from sale of other investments	-	873	-	873
Finance income received	26	116	41	223
Loan to a related party	(234)	-	(234)	-
Repayment of loan by a related party	-	-	-	2,110
<b>Cash flow used in investing activities</b>	<u>(14,219)</u>	<u>(2,316)</u>	<u>(19,942)</u>	<u>(9,542)</u>
<b>Financing activities</b>				
Proceeds from issue of shares	-	-	-	900
Proceeds from borrowings	-	-	5,600	1,000
Repayment of loan to a related party	-	(172)	-	(343)
Repayment of loan to a director	(300)	-	(300)	-
Repayment of borrowings	(1,855)	(2,159)	(3,533)	(4,260)
Payment of finance lease liabilities	(374)	(313)	(762)	(651)
Dividend paid to shareholders of the Company	(2,427)	-	(2,427)	-
Dividend paid to minority interests of subsidiaries	-	(95)	-	(95)
Finance expense	(232)	(552)	(630)	(1,201)
<b>Cash flows used in financing activities</b>	<u>(5,188)</u>	<u>(3,291)</u>	<u>(2,052)</u>	<u>(4,650)</u>

**Consolidated Cash Flow Statement (continued)**

	<u>3 months</u> <u>ended</u> <u>31/10/2010</u> S\$'000	<u>3 months</u> <u>ended</u> <u>31/10/2009</u> S\$'000	<u>6 months</u> <u>ended</u> <u>31/10/2010</u> S\$'000	<u>6 months</u> <u>ended</u> <u>31/10/2009</u> S\$'000
<b>Net decrease in cash and cash equivalents</b>	(19,531)	(1,215)	(18,666)	(7,122)
Cash and cash equivalents at beginning of period	38,823	28,848	37,965	33,807
Effect of exchange rate fluctuations on cash held	56	830	49	1,778
<b>Cash and cash equivalents at end of period</b>	<b>19,348</b>	<b>28,463</b>	<b>19,348</b>	<b>28,463</b>
<b>Cash and cash equivalents comprise the following:</b>				
Cash at bank and in hand	15,908	11,880	15,908	11,880
Deposits with banks	4,080	5,531	4,080	5,531
Cash included in assets classified as held for sale	-	11,077	-	11,077
Cash and cash equivalents	19,988	28,488	19,988	28,488
Bank overdrafts	(640)	(25)	(640)	(25)
<b>Cash and cash equivalents in the cash flow statement</b>	<b>19,348</b>	<b>28,463</b>	<b>19,348</b>	<b>28,463</b>

**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**

**1(d)(i)(a) Consolidated Statement of Comprehensive Income for the second quarter and half year ended 31 October 2010**

	The Group			The Group		
	3 months ended 31/10/2010 S'\$000	3 months ended 31/10/2009 S'\$000	Increase/ (Decrease) %	6 months ended 31/10/2010 S'\$000	6 months ended 31/10/2009 S'\$000	Increase/ (Decrease) %
<b>Profit for the period</b>	927	853	8.7	3,267	1,566	108.6
<b>Other comprehensive income</b>						
Foreign currency translation differences for foreign operations	119	552	(78.4)	132	1,217	(89.2)
<b>Total comprehensive income</b>	1,046	1,405	(25.6)	3,399	2,783	22.1
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	1,008	1,309	(23.0)	3,418	2,403	42.2
Non-controlling interests	38	96	(60.4)	(19)	380	n.m.
	1,046	1,405	(25.6)	3,399	2,783	22.1

N.M. denotes Not Meaningful

**1(d)(i)(b) Statement of Changes in Equity**  
**For the period ended 31 October 2010**

<b><u>The Group</u></b>	<b><u>Share capital</u></b> S\$'000	<b><u>Capital reserve</u></b> S\$'000	<b><u>Foreign currency translation reserve</u></b> S\$'000	<b><u>Accumulated profits</u></b> S\$'000	<b><u>Total attributable to equity holders of the Company</u></b> S\$'000	<b><u>Non-controlling interests</u></b> S\$'000	<b><u>Total equity</u></b> S\$'000
<b>Balance at 1 May 2010</b>	75,116	7,082	2,104	60,978	145,280	5,360	150,640
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	2,402	2,402	(62)	2,340
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	8	-	8	5	13
Total other comprehensive income	-	-	8	-	8	5	13
Total comprehensive income	-	-	8	2,402	2,410	(57)	2,353
<b>Balance at 31 July 2010</b>	75,116	7,082	2,112	63,380	147,690	5,303	152,993
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	952	952	(25)	927
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	56	-	56	63	119
Total other comprehensive income	-	-	56	-	56	63	119
Total comprehensive income	-	-	56	952	1,008	38	1,046
Dividend relating to 2010 paid	-	-	-	(7,460)	(7,460)	-	(7,460)
Issue of new shares	5,033	-	-	-	5,033	-	5,033
Acquisition of non-controlling interests	-	-	-	-	-	(433)	(433)
<b>Balance at 31 October 2010</b>	80,149	7,082	2,168	56,872	146,271	4,908	151,179

<b><u>The Group</u></b>	<b><u>Share capital</u></b> S\$'000	<b><u>Capital reserve</u></b> S\$'000	<b><u>Foreign currency translation reserve</u></b> S\$'000	<b><u>Accumulated profits</u></b> S\$'000	<b><u>Total attributable to equity holders of the Company</u></b> S\$'000	<b><u>Non-controlling interests</u></b> S\$'000	<b><u>Total equity</u></b> S\$'000
<b>Balance at 1 May 2009</b>	74,216	7,082	1,333	47,127	129,758	11,406	141,164
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	523	523	190	713
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	571	-	571	94	665
Total other comprehensive income	-	-	571	-	571	94	665
Total comprehensive income	-	-	571	523	1,094	284	1,378
Issue of new shares	900	-	-	-	900	-	900
<b>Balance at 31 July 2009</b>	75,116	7,082	1,904	47,650	131,752	11,690	143,442
<b>Total comprehensive income</b>							
Profit for the period	-	-	-	761	761	92	853
<b>Other comprehensive income</b>							
Foreign currency translation differences	-	-	548	-	548	4	552
Total other comprehensive income	-	-	548	-	548	4	552
Total comprehensive income	-	-	548	761	1,309	96	1,405
Dividends relating to 2009 paid	-	-	-	-	-	(95)	(95)
<b>Balance at 31 October 2009</b>	75,116	7,082	2,452	48,411	133,061	11,691	144,752

<u>The Company</u>	<u>Share capital</u> S\$'000	<u>Capital reserve</u> S\$'000	<u>Accumulated Profits</u> S\$'000	<u>Total equity</u> S\$'000
<b>Balance at 1 May 2010</b>	75,116	7,082	27,299	109,497
<b>Total comprehensive income</b>				
Profit for the period	-	-	397	397
<b>Balance at 31 July 2010</b>	75,116	7,082	27,696	109,894
<b>Total comprehensive income</b>				
Profit for the period	-	-	(1,295)	(1,295)
Dividends relating to 2010 paid	-	-	(7,460)	(7,460)
Issue of new shares	5,033	-	-	5,033
<b>Balance at 31 October 2010</b>	80,149	7,082	18,941	106,172
<b>Balance at 1 May 2009</b>	74,216	7,082	19,155	100,453
<b>Total comprehensive income</b>				
Profit for the period	-	-	(1,151)	(1,151)
Issue of new shares	900	-	-	900
<b>Balance at 31 July 2009</b>	75,116	7,082	18,004	100,202
<b>Total comprehensive income</b>				
Profit for the period	-	-	(374)	(374)
<b>Balance at 31 October 2009</b>	75,116	7,082	17,630	99,828

**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**

	<u>Number of Ordinary shares</u>	<u>Share Capital</u> S\$'000
As at 1 August 2010	2,131,492,885	75,116
Scrip dividend	91,507,897	5,033
As at 31 October 2010	2,223,000,782	80,149

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to 1(d)(ii). There were no treasury shares as at 31 October 2010.

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

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**

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with the audited financial statements for the financial year ended 30 April 2010.

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**

The Group adopted various new/revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) which took effect for the financial year beginning 1 May 2010. The adoption of these new/revised FRS and INT FRS did not result in any significant impact on the financial statements of the Group.

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

**Earnings per ordinary share**

(a) Based on the weighted average number of ordinary shares on issue

(b) On a fully diluted basis

	<b>3 months ended 31/10/10</b>	<b>3 months ended 31/10/09</b>
(a) Based on the weighted average number of ordinary shares on issue	0.04 cent	0.03 cent
(b) On a fully diluted basis	0.04 cent	0.03 cent

The basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 2,223,000,782 (31 October 2009: 2,223,000,782).

The fully diluted earnings per share is calculated based on the weighted average number of ordinary shares of 2,223,000,782 (31 October 2009: 2,223,000,782).

**Earnings per ordinary share**

(a) Based on the weighted average number of ordinary shares on issue

(b) On a fully diluted basis

	<b>6 months ended 31/10/10</b>	<b>6 months ended 31/10/09</b>
(a) Based on the weighted average number of ordinary shares on issue	0.15 cent	0.06 cent
(b) On a fully diluted basis	0.15 cent	0.06 cent

The basic earnings per share is calculated based on the weighted average number of ordinary shares in issue of 2,223,000,782 (31 October 2009: 2,218,652,956).

The fully diluted earnings per share is calculated based on the weighted average number of ordinary shares of 2,223,000,782 (31 October 2009: 2,218,652,956).

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 period reported on and (b) immediately preceding financial year**

	<u>As at</u> <u>31/10/2010</u>	<u>As at</u> <u>30/04/2010</u>
Net assets value per ordinary share	Cents	Cents
The Group	6.58	6.82
The Company	4.78	5.14

Net asset value per share is calculated based on 2,223,000,782 (30 April 2010: 2,131,492,885) ordinary shares in issue at the end of the financial period 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**

#### **2<sup>nd</sup> Quarter Review ("2Q11")**

Compared with previous corresponding quarter, Group net profit after tax and non-controlling interests grew by 25.1% to \$952,000 on a 17.9% increase in revenue from \$30.7 million to \$36.2 million for 2Q11.

	<b>2Q11</b>	<b>2Q10</b>	<b>+ / (-)</b>	<b>+ / (-)</b>
	<b>S\$'million</b>	<b>S\$'million</b>	<b>S\$'million</b>	<b>%</b>
Freight forwarding	17.5	14.7	2.8	19.0
Warehousing and logistics	5.5	4.7	0.8	17.0
Chemical storage and logistics	12.0	10.0	2.0	20.0
Other logistics (Document archiver & Exhibition design and build)	1.2	1.3	(0.1)	(7.7)
<b>Group Revenue</b>	<b>36.2</b>	<b>30.7</b>	<b>5.5</b>	<b>17.9</b>

The higher revenue was attributed to freight rate hikes, higher storage and transportation, and the completion of the chemical warehouse at 18 Gul Drive in November 2009. The increase in net profit was mainly attributable to higher contribution from the freight forwarding business and lower foreign exchange losses. These increases were partially mitigated by lower profit contribution from the chemical logistics business due to higher property taxes and absence of job credit grants, as well as lower interest income from an associate resulting from partial loan redemption in 4Q10.

Share of profit from associates increased by 13.8% to \$372,000 in 2Q11. The profit improvement was contributed mainly from an associate in Malaysia.

Income tax expense increased as compared to the previous corresponding period, in line with the increase in taxable profits.

Income attributable to non-controlling interests reported a loss of \$25,000 mainly due to losses incurred by overseas subsidiaries.

## 1<sup>st</sup> Half Review (“1H11”)

For the first half year, Group net profit after tax and non-controlling interests grew by 161.2% to \$3.35 million on a 18.7% increase in revenue from \$61.3 million to \$72.8 million for 1H11.

	<b>1H11</b>	<b>1H10</b>	<b>+ / (-)</b>	<b>+ / (-)</b>
	<b>S\$'million</b>	<b>S\$'million</b>	<b>S\$'million</b>	<b>%</b>
Freight forwarding	36.0	29.6	6.4	21.6
Warehousing and logistics	10.7	9.4	1.3	13.8
Chemical storage and logistics	24.1	19.9	4.2	21.1
Other logistics (Document archiver & Exhibition design and build)	2.0	2.4	(0.4)	(16.7)
<b>Group Turnover</b>	<b>72.8</b>	<b>61.3</b>	<b>11.5</b>	<b>18.7</b>

All business segments except other logistics registered double digit growth in revenue. The increase in freight costs, rental expenses, property taxes and the absence of job credit grants has eroded the profit margin for the first half year. However, the net profit was higher due to lower foreign exchange losses and write-off of receivables from an associate in the corresponding 1H2010. These were partially offset by lower interest income on convertible loans to an associate and lower gains on fair value of marketable securities.

### Cash Flows

As at 31 October 2010, the Group has cash and cash equivalents of \$20.0 million, and net of cash, gearing of 0.28 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 1<sup>st</sup> quarter FY2011 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 sale and leaseback of five properties to Sabana REIT was completed on 26 November 2010 for total gross proceeds of S\$192.95 million which was paid in cash. Sale proceeds has been used to subscribe for units in Sabana REIT, to repay the group's bank borrowings and balance to fund investment opportunities.

The Group's participation in the REIT Manager, Sabana Real Estate Investment Management Pte Ltd and the Property Manager, Sabana Property Management Pte Ltd of the Sabana REIT, through its 51% equity stake in Sabana Investment Partners Pte Ltd, will generate additional income for the Group. The Group will also derive a stable income stream from the Sabana REIT's distributions through the holding of units.

The proposed acquisition of property at 47 Changi South Avenue 2 is targeted to be completed in January 2011. The Group is planning to redevelop the existing warehouse property at 146 Gul Circle into a 3-storey ramp-up warehouse.

The outlook for the global economy has improved but uncertainties over its sustainability still remain. The Group is cautiously optimistic about its business prospects and will continue to exercise vigilance in keeping operating costs under control.

**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/recommendeded, a statement to that effect**

No dividend has been declared or recommended in the current reporting period.

**13. Interested Person Transactions**

There are no interested person transactions (excluding transaction less than \$100,000) for the first half financial year ended 31 October 2010.

**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 October 2010 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD  
Freight links Express Holdings Limited**

**Eric Khua  
Executive Director & CEO  
13 December 2010**