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

PROPOSED JOINT VENTURE AND ACQUISITION OF PALAS CONDOMINIUM IN KUALA LUMPUR, MALAYSIA

1. Introduction

Freight Links Express Holdings Limited (the “Company” or “Freight Links”, and together with its subsidiaries, the “Group”) is pleased to announce that its wholly owned subsidiary Singapore Enterprises Pte Ltd has entered into a 50-50 joint venture agreement with Desa Tiasa Sdn Bhd, a company incorporated in Malaysia to form a new joint venture company, Saujana Tiasa Sdn Bhd, (the “JV Company” or “Purchaser”) in Malaysia, for the purpose of acquiring a freehold property known as Palas Condominium which is located at Lorong Palas, off Jalan Ampang, Kuala Lumpur, Malaysia (the “Property”) from Orion Choice Sdn Bhd (the “Vendor”) on the terms and conditions set out in the Sale & Purchase Agreement dated 6 August 2013 (the “Proposed Acquisition”).

The issued and paid-up capital of the JV Company will be RM100,000 comprising 100,000 shares of RM1 each. Singapore Enterprises Pte Ltd will have two (2) nominees out of four (4) on the board of JV Company.

The Property is a block of 24-storey residential tower comprising 76 units of condominium with a total built up area of approximately 228,812 square feet together with 110 units of car parking lots.

2. Rationale for the Proposed Acquisition

The Proposed Acquisition is in line with the Group’s investment strategy to redeploy its capital more efficiently for higher yield investments.

Freight Links sees potential in the real estate investment sector, particularly in this case Desa Tiasa Sdn Bhd will lease the property and operate the units as service apartments and guarantee Singapore Enterprises Pte Ltd a minimum return of 6.0% per annum on the net purchase price paid by the JV Company for a period of at least three (3) years following completion of the Proposed Acquisition. In view of the entry level of RM550 per square feet, Freight Links is confident that the opportunity for significant capital growth in the medium and long term is promising.

3. The Proposed Acquisition

3.1 Consideration for the Proposed Acquisition

The total purchase consideration for the Property is RM125,846,600 which was arrived at on a willing-buyer and willing-seller basis at the negotiated rate of RM550 per square feet after taking into account various commercial factors including the prevailing market conditions, the location and the state of the maintenance of the building on the Property.

For the Proposed Acquisition, the Company had commissioned an independent property valuer, Khong & Jaafar Sdn Bhd to value the Property. The valuer certified as at 7 June 2013 that the open market value of the Property is RM132,700,000.

A deposit of 20% of the purchase price had been paid to the Vendor's Solicitors as stakeholders. The balance will be payable on completion no later than three months from the date of the SPA or such further extension and terms to be mutually agreed.

3.2 **Conditions Precedent and Subsequent Conditions**

The Proposed Acquisition is conditional upon the Purchaser obtaining the approval from the relevant State of Authority for the acquisition of the Property within three (3) months from the date of SPA or any extension of time to be mutually agreed.

The purchase of the Property is subject to the Vendor's undertaking to apply the Strata Title from the relevant authorities at the costs and expenses of the Vendor within six (6) months from the completion date of SPA.

The parties agreed that the Vendor's Solicitors shall retain RM1,000,000 from the Purchase Price (hereinafter referred to as "the Retention Sum") and release the Retention Sum to the Vendor after the strata title for the Property is transferred and registered in the Purchaser's favour.

4. Method of Financing

The share subscription of RM50,000 and shareholder loan of RM62,923,300 will be funded internally.

5. Proforma Financial Effects of the Proposed Acquisition

5.1 Profits

There is no net profit attributable to the Property.

5.2 Net Tangible Assets

Assuming that the Proposed Acquisition had been completed on 30 April 2013, there is no material impact on the consolidated net tangible assets of the Group as at 30 April 2013.

5.3 Earnings

Not applicable as the Property is currently vacant.

6. Relative Figures Pursuant to Rule 1006 of the Listing Manual

The relative figure computed on the bases set out in Rule 1006 of the Listing Manual for the Company's proposed acquisition is as follows:

(a) The net asset value of the assets to be disposed of, compared with the group's net asset value.

Not applicable

(b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.

There are no net profits currently attributable to the assets acquired.

(c) The aggregate value of the consideration given or received, compared with the issuer's market capitalization.

The aggregate consideration of RM62,923,300 (S$24,617,879) amounts to approximately 7.6% of the market capitalization of the Company as at 6 August 2013.

The market capitalization of the Company as at 6 August 2013 was S$325.9 million based on the (i) issued share capital of 2,433,990,830 shares and (ii) the weighted average price of 13.39 cents per share.

(d) The 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

7. Interest of Directors and Controlling Shareholders

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

8. Documents Available for Inspection

Copies of the Sale & Purchase Agreement dated 6 August 2013 and the valuation report are available for inspection during normal business hours at the registered office of the Company at 51 Penjuru Road #04-00 Freight Links Express Logisticentre, Singapore 609143, for a period of 3 months commencing from the date of this announcement.

By Order of the Board

Eric Khua
Executive Director & CEO
7 August 2013