
China Logistics M&A Quarterly

1st Quarter 2008

Highlights

- **Agility (formerly known as Public Warehousing Co.) acquired 100.0% of COSA Freight Inc. for US\$36.0 million**

COSA's extensive service coverage and offerings in China is a strategic fit to Agility's Pacific-rim distribution network

- **China International Marine Containers Group (CIMC) acquired 60.0% of TGE Gas Investment SA for US\$31.2 million**

This acquisition adds LNG terminal operating expertise to CIMC and enables CIMC to deliver integrated logistics solutions to the natural gas industry.

- **Freight Links Express Holdings acquires 60.0% of CITIC Logistics Co. for US\$12.7**

This deal represents a milestone for Freight Links as it will gain access to CITIC Logistics' established MNC client network in China

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Introduction

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The purpose of this report is to provide a summary of cross-border China Logistics M&A and private placement activities in the first half of 2008, highlighting notable selected transactions that are relevant to venture capital, private equity, and strategic buyers/investors. Our review is broken down into the following five Logistics sectors:

- Air Freight
- Sea Freight
- 3PL / Freight Forwarding
- Ground Freight, Express & Warehousing
- Port & Logistics Facility

However, during the first half of 2008, there were no notable transactions in the Air Freight and Sea Freight sectors.

3PL / Freight Forwarding

Agility, a global supply chain services provider, announced that it will acquire 100.0% of Cosa Freight for US\$36.0 million. Cosa Freight's extensive service coverage and offerings in China is a strategic fit with Agility's Pacific-rim distribution network. Post transaction, Agility will be able to offer end-to-end solutions such as: consolidation, packaging, labeling and delivery services for both Chinese and North American clients.

Selected 3PL / Freight Forwarding Transactions

Announcement	Lead Investor(s) / Buyer	Target	Transaction Value (US\$ mm)	%	Implied Valuation (US\$ mm)	Description of Target
Jun 4	Agility [KWSE:AGLTY]	COSA Freight Inc.	36.0	100.0	36.0	Provides freight forwarding services for ocean, land and sea cargo
May 28	NA	Shanghai Jifa Logistics Co Ltd.	11.3	21.1	53.6	Shanghai-based inland container transportation and storage services provider

Source: Company announcements, Capital IQ, Zero2IPO.com.cn, Quamnet.com, ChinaVenture.com.cn, Yahoo! Finance News and PRNewswire.

Ground Freight, Express & Warehousing

Shenzhen International Holdings announced that it will acquire the remaining 40.0% stake in Shenzhen Western Logistics from Nanyou Group and has agreed to divest its 35.0% minority stake in Grand Autopark to Nanyou Group. The restructuring enables Shenzhen International to control and expand its logistics park business and enjoy the capital gain on its minority investment.

Freight Links Express, a leading global logistics solution provider, agreed to acquire 60.0% interest in CITIC Logistics for US\$12.7 million. This deal marks a milestone for Freight Links as it will gain access to MNC client network including the likes of Shell, BASF and Mitsubishi Chemical and become the leading player in the chemical logistics segment. This transaction also enables Freight Links to provide specialties services such as oversized equipment transportation.

Selected Ground Freight, Express & Warehousing Transactions

Announcement	Lead Investor(s) / Buyer	Target	Transaction Value (US\$ mm)	%	Implied Valuation (US\$ mm)	Description of Target
Apr 22	Shenzhen International Holdings Ltd. [SEHK:152]	Shenzhen Western Logistics	49.8	40.0	124.5	Constructed and operates Western Logistics Park, which provides storage facilities for the Shenzhen Western Port
Apr 22	Shenzhen Nanyou (Group) Holdings Ltd.	Grand AutoPark Co., Ltd.	67.0	35.0	191.4	Constructed motor vehicles logistic district in Shenzhen Qianhaiwan Logistics Park and provides ancillary services
Mar 14	Freight Links	CITIC Logistics	12.7	60.0	21.2	Provides transportation,

Selected Ground Freight, Express & Warehousing Transactions

Announcement	Lead Investor(s) / Buyer	Target	Transaction Value (US\$ mm)	%	Implied Valuation (US\$ mm)	Description of Target
	Express Holdings Ltd. [SGX:F01]	Co., Ltd.				storage and distribution services for highway, railway, inland, offshore and ocean

Source: Company announcements, Capital IQ, Zero2IPO.com.cn, Quamnet.com, ChinaVenture.com.cn, Yahoo! Finance News and PRNewswire.

Port & Logistics Facility

China International Marine Containers (Group) Co. (CIMC) announced that it has acquired 60.0% of TGE Investment SA for US\$31.2 million. This acquisition adds LNG terminal operating expertise to CIMC and enables CIMC to deliver an integrated logistics solution to clients in the natural gas industry.

Dalian Port (PDA) announced that it has acquired 35.0% of Dalian Portnet, a logistics e-commerce operator, for US\$5.4 million, raising Dalian Port's ownership stake from 36.4% to 71.4%. The acquisition of the 24-hour real-time electronic platform will significantly bolster Dalian Port's market position as a logistics services provider in Dalian.

Selected Port & Logistics Facility Transactions

Announcement	Lead Investor(s) / Buyer	Target	Transaction Value (US\$ mm)	%	Implied Valuation (US\$ mm)	Description of Target
Jun 24	China International Marine Containers Group Co. [SZSE:000039]	TGE Gas Investment SA	31.2	60.0	52.0	Constructs plants for handling liquefied natural gas from well head to storage
Mar 31	Dalian Port (PDA) Company Ltd. [SEHK:2880]	Dalian Portnet Co., Ltd.	5.4	35.0	15.4	Operates an electronic logistics network that provides B2B platform for customs clearance, shipping exchange and e-administration
Jan 22	Dalian Port Jifa Logistics Co., Ltd.	DCT Logistics Co., Ltd.	8.6	60.0	14.3	Provides marine port logistics and container terminal related services in Dalian
Jan 7	Sinotrans Ltd. [SEHK:598]	Port of Jiangyin	9.5	20.0	47.5	Provides marine port logistics and container terminal related services in Jiangyin

Source: Company announcements, Capital IQ, Zero2IPO.com.cn, Quamnet.com, ChinaVenture.com.cn, Yahoo! Finance News and PRNewswire.

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