
China Logistics M&A Half Year Report

2nd Half 2008

Half Year in Review

- As the global economy steps into recession mode, the China Logistics sector has been hit particularly hard
- China's trading partners are plagued with domestic financial turmoil, leading to record unemployment and low consumer spending
- Weak overseas consumer demand and cautious outlook has created excess capacity and put downward pressure on freight rates
- The China government's US\$586.0 billion stimulus package will encourage infrastructure investment and boost domestic demand for iron ore and coal; however, actual impact and timing remains uncertain
- No VC / PE investment during the period
- Expect light consolidation play as corporates make selective investments, which will add scale and / or bottom line profitability to existing operations

Deal Highlights

- ComfortDelGro acquired 100.0% of Beijing-based Jia Run Taxi Service for US\$11.0 million. This deal will add Jia Run's fleet of 342 taxis to ComfortDelGro's existing 5,079 taxis in Beijing

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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 second 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 second half of 2008, there were no notable transactions in the Air Freight, Sea Freight, 3PL / Freight Forwarding and Port & Logistics Facility sectors.

Ground Freight, Express & Warehousing

ComfortDelGro, Singapore-based provider of public buses, private chartered buses and car rental services, acquired 100.0% of Beijing-based Jia Run Taxi Service as part of its China market expansion strategy. This acquisition will increase ComfortDelGro's taxi fleet by 342 to a total of 5,421 taxis in Beijing.

Selected Ground Freight, Express & Warehousing Transactions

Announcement	Lead Investor(s) / Buyer	Target	Transaction Value (US\$ mm)	%	Implied Valuation (US\$ mm)	Description of Target
Dec 26, 2008	ComfortDelGro [SGX: C52]	Jia Run Taxi Service	11.0	100.0	11.0	Beijing-based taxi service operator with a fleet of 342 taxi

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

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