



ENG KONG HOLDINGS LIMITED

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(Company Registration No. 199407478G)

Logistic and Container Depot Specialist, Eng Kong on track for regional expansion

- Prospects look bright as major Asian ports continue to grow rapidly
- Strong cash position of S\$21 million to explore opportunities for mergers and acquisitions
- Group recommends an interim dividend of 0.3 cents per share.

Singapore, 13 August 2007 – Mainboard-listed Eng Kong Holdings Limited (“Eng Kong”, the “Group” or “永康集团”), a leading provider of integrated container services comprising container depot operation, warehousing and container freight station, as well as container sales, agencies and survey, turned in a healthy interim set of financial performance as it expands its regional operations.

Financial Highlights (S\$'000)	1H07	1H06	Change
Overall Turnover	34,593	31,484	10%
Gross Profit	8,534	7,753	10%
Profit After Tax	1,911	1,109	72%
Net Profit Attributable to Shareholders	2,171	1,119	94%
Net Profit After Tax Margin (%)	5.5%	3.5%	2%
Basic EPS (cents)	0.99 cents	0.54 cents	83%

1H2007 Financial Review

Turnover increased by 10% to S\$34.6 million year-on-year for the six months ending 30 June 2007. Increase in overall turnover can be attributable to turnover contribution from *Ming Fung companies* and increased in used container sales activities from the *Container*

Sales, Agencies and Survey segment. Profit after tax increased from S\$1.1 million in 1H2006 to S\$1.9 million in 1H2007.

Basic earnings per share of the Group increased by 83% year-on-year to 0.99 cents for the six months from January to June 2007. The Group remained financially strong; cash and cash equivalents as at 30 June 2007 stood at a healthy S\$21 million, translating into net cash of 8.9 cents per share (based on 236,198,200 shares as at 30 June 2007).

To reward shareholders, the Group has recommended an interim dividend of 0.3 cents (less tax) per ordinary share.

Growth Prospects

In 2007, regional ports in Singapore, Hong Kong and China continue to perform well due to booming global trade, led by China's strong foreign trade volume with the rest of the world. Singapore retained its ranking as the world's busiest port as a record 6.58 million TEUs (twenty-foot equivalent units) passed through its port in the first quarter of this year. Shanghai overtook Hong Kong for the first time to become the world's second busiest port, having handled 5.89 million TEUs for the same period. Hong Kong ranked third with a



throughput of 5.50 million TEUs. With presence in the rapidly growing major ports in Asia, the prospects for Eng Kong continue to look bright. The Group believes that as long as trade and shipping activities in the regional ports continue to grow, the utilization rates of the Group's container depots will remain healthy.

The Group has also made a strategic foray into the logistics services industry in China through a planned acquisition of Keyun, a Tianjin-based logistics service provider. Following the Group's announcement in October 2006 on its proposed 30% acquisition of

Keyun via its Hong Kong holding company, Gold Prime Holdings Limited, the Group expects the completion of due diligence by 2H2007.

Keyun is a major logistics group providing a wide range of logistics services in the China, including international freight forwarding, warehousing and inland transportation, container depot services and third-party logistics services. Besides a strong international network, Keyun's domestic network spans its primary market Tianjin, Beijing, Qingdao, Shanghai, Xian, Shijiazhuang, Xiamen, Shenzhen, Dalian, Ningbo, Taiyuan and Zhengzhou.

“The acquisition of Keyun, when completed, will mark a major milestone for the Group as it represents our move into the exciting logistics services industry in China. The partnership will further strengthen and expand Eng Kong's as an integrated logistics provider in the China market.”

Mr. Paul Ng (伍錦明), Managing Director of Eng Kong

In March 2007, Eng Kong entered a joint venture agreement with Keyun to establish Shanghai Kongyun Warehousing Co. Ltd.

In early 2007, Eng Kong expanded its operation into Vietnam. Depot operation service is expected to commence in later part of the year.

“We have built up a war chest of some S\$21 million and are constantly exploring and pursuing every business opportunity and alliance where there are synergies to allow Eng Kong to leverage on its core competencies.

The success of these expansion strategies through both acquisitions and organic growth gives us great confidence in pursuing our goal of becoming a leading provider of integrated container depot and logistics services in Asia”

Mr. Eddie Li (李雄), Executive Chairman of Eng Kong

Barring any unforeseen circumstances, the management of Eng Kong remains positive about the Group's profitability in 2H2007.

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About Eng Kong Holdings Limited

Eng Kong Holdings Limited is a leading provider of integrated container services including container depot operation, warehousing and container freight station as well as container sales, agencies and survey.

Founded in 1978 by Executive Chairman Mr Eddie Li and Managing Director Mr Paul Ng, Eng Kong has established a renowned, fully integrated container service center supporting the high growth logistics infrastructure industry in the region. Some of Eng Kong's customers include leading shipping lines, container leasing and renowned freight forwarding companies.

Headquartered in Singapore, the Group has operations in Singapore, Malaysia, Thailand, China, Hong Kong SAR, Taiwan and Vietnam, with a total land area of over 450,000 sq m, supported by a total staff strength of more than 500. Listed on SGX-SESDAQ in 1997, the company moved to the main board in 1999. For more information, please visit Eng Kong's website at www.engkong.com or our investor relations gallery at <http://ir.wallstraits.net/engkong/>

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