



ENG KONG HOLDINGS LIMITED

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(Company Registration No. 199407478G)

Eng Kong's Profit After Tax jumps 68% in FY2007

- Net profit attributable to shareholders increased by 72% to S\$6.2 million
- Propose a final dividend of 0.3 cents per share
- Acquisition of Keyun near to completion, subject to shareholders' approval
- Continues to explore partnerships and business opportunities to become premier integrated logistic player in the region

Singapore, 28 Feb 2008 – 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, is pleased to announced its financial results for the year ended 31 December 2007.

| Financial Highlights (S\$'000) | FY2007 | Year 2006 | Change |
|-----------------------------------------|--------|-----------|--------|
| Overall Turnover | 71,084 | 65,296 | 8.9% |
| Gross Profit | 18,880 | 16,254 | 16.2% |
| Profit After Tax | 5,924 | 3,518 | 68.4% |
| Net Profit Attributable to Shareholders | 6,150 | 3,579 | 71.8% |
| Gross Profit Margin | 26.6% | 24.9% | 6.8% |
| Net Profit After Tax Margin | 8.3% | 5.4% | 53.7% |
| Basic EPS (cents) | 2.69 | 1.71 | 57.3% |

FY2007 Financial Review

Turnover increased by 9% to S\$71.1 million year-on-year from S\$65.3 million in Year 2006. Increase in overall turnover can be attributable to turnover contribution from *Ming Fung companies*, increased in used container sales activities from the *Container Sales, Agencies*

and Survey segment, and higher turnover from the *Warehousing and Container Freight Station* segment.

Basic earnings per share of the Group increased by 57% year-on-year to 2.69 cents for FY2007. The Group remained financially strong; cash and cash equivalents as at 31 December 2007 stood at a healthy S\$13.8 million, translating into net cash of 5.8 cents per share (based on 238,169,200 shares, net of treasury shares, as at 31 December 2007).

Other income increased by S\$0.9 million or 71% from S\$1.3 million to S\$2.2 million mainly due to recovery of accident claim of S\$0.5 million and exchange gain by S\$0.3 million.

To reward shareholders, the Group recommended a final dividend of 0.3 cents (less tax) per ordinary share.

Growth Prospects

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 is now closer to completion, subject to shareholders' approval during the shareholders' meeting to be convened in due course.

Keyun is a major logistics group providing a wide range of logistics services in China, including international freight forwarding, warehousing and inland transportation, container dept 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.

With the shareholder's approval, the Group would be able to leverage on Keyun's established logistics operations in China, and use it as a springboard to expand the Group's presence in the rapidly growing Chinese market.



Figure 1: Eng Kong's current operation in China

“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 October 2007, the Group entered into a joint venture with Freight Links Express Holdings Limited and Xiamen O&G International Logistics Co Limited to establish Eng Kong Container (Xiamen) Co., Ltd (“EKC”) in Xiamen. Freight Links and Eng Kong will each hold 25% stake in EKC while the remaining 50% will be held by O&G International. EKC will provide services such as storage and repair of damaged containers, container stuffing and packing among others, and is expected to provide a one-stop value-added supply chain services for importers and exporters in Southern China.

Closer to home, the Group is currently exploring the feasibility of expanding its presence in Thailand and Malaysia, in view of higher demand in these countries. There are also plans for Eng Kong to venture into tank activities like tank cleaning and repairing services.

“Eng Kong is 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 vision of becoming a premier integrated logistic player in Asia.”

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

The Directors believe that the Group’s container depot utilization rates will continue to remain healthy in the region.

Barring any unforeseen circumstances, the management of Eng Kong expects to remain profitable in this financial year.

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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.

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