


Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	ENG KONG HOLDINGS LIMITED
Company Registration No.	199407478G
Announcement submitted on behalf of	ENG KONG HOLDINGS LIMITED
Announcement is submitted with respect to *	ENG KONG HOLDINGS LIMITED
Announcement is submitted by *	Jesslyn Goh
Designation *	Corporate (Confidential) Secretary
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Announcement Title *	DISPOSAL OF PROPERTY KNOWN AS LOT NUMBER 2212A OF MUKIM 7 IN SINGAPORE
Description	
Attachments	 Disposal_of_Property.pdf Total size = 32K (2048K size limit recommended)

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ENG KONG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199407478G)

DISPOSAL OF PROPERTY KNOWN AS LOT NUMBER 2212A OF MUKIM 7 IN SINGAPORE

1. INTRODUCTION

The Board of Directors of Eng Kong Holdings Limited (*Company* or *Eng Kong*) wishes to announce that its wholly-owned subsidiary, Eng Kong Tech Park Pte Ltd (*Vendor* or *EKTP*) has today entered into a sale and purchase agreement (*Agreement*) with Maxima Investments Pte. Ltd. (*Purchaser*) pursuant to which the Purchaser has agreed to purchase the Property (as defined below) for a cash consideration of S\$14,000,000.00 (*Sale Price*) (*Disposal*). The Sale Price was arrived at on a willing buyer-willing seller basis, taking into consideration current market conditions.

2. THE PROPERTY

The property is the whole of Lot Number 2212A of Mukim 7 in Singapore (including the building(s) erected thereon) (*Property*) and also known as 43 Tech Park Crescent Singapore with an area of approximately 14,662 square metres and a land tenure of leasehold estate of 60 years commencing from 18 August 1993.

3. RATIONALE FOR THE DISPOSAL AND USE OF SALE PROCEEDS

- 3.1 The Company intends to sell the Property as it believes that the Sale Price is attractive and presents an opportunity for the Company to realise the Property at a good value. The Sale Price is higher than the net book value of the Property of S\$10.7 million based on the audited balance sheet of EKTP as at 31 December 2007 and the indicative valuation of approximately S\$9 to 10 million obtained by EKTP indicated from several property valuers on 7 August 2008.
- 3.2 The gain from the Disposal over the net book value of the Property is approximately S\$3 million (after taking into consideration estimated expenses).
- 3.3 The net proceeds from the Disposal would be approximately S\$13 million, after payment of outstanding loan on the Property of approximately S\$0.8 million as at 31 August 2008 and estimated expenses of approximately S\$0.2 million. It is intended that the proceeds from the Disposal be used for general working capital purposes and other corporate funding requirements of the Eng Kong group of companies (*Group*).

4. MATERIAL TERMS AND CONDITIONS OF THE DISPOSAL

- 4.1 The Property is sold in such state and condition and in all other respects whatsoever on an "as is, where is" basis at the day of actual completion.
- 4.2 A deposit of 10% of the Sale Price (*Deposit*) has been paid to the Vendor, and the balance of the Sale Price will be paid on completion of the Disposal.
- 4.3 The Disposal is conditional upon the following being obtained within sixteen (16) weeks from the date of the Agreement or such later date as agreed between the Vendor and the Purchaser:
 - (a) approval of shareholders of the Vendor and the Company (if required); and
 - (b) any other approval(s) required pursuant to the requirements of the Singapore Exchange Securities Trading Limited (*SGX-ST*) or any other regulatory authority,(collectively, the *Approvals*).

4.4 The Disposal is expected to be completed within twelve (12) weeks from the date of the Agreement or three (3) weeks from the date on which the last of the Approvals has been obtained, whichever is the later (**Completion Date**).

4.5 In the event that the Approvals are not obtained within the time stated in paragraph 4.3, both parties shall be at liberty to rescind the Agreement and the Vendor shall return the Deposit to the Purchaser. Neither party shall be bound by anything nor be entitled any compensation costs from the other in respect of the Disposal.

5. FINANCIAL EFFECTS OF THE DISPOSAL

The proforma financial effects set out below are theoretical in nature and are for illustrative purposes only. They do not reflect the future financial results or position of the enlarge Group after the completion of the Disposal.

(i) Earnings

Assuming the Disposal had been effected on 1 January 2007, and based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2007 (**FY2007**), the proforma financial effect of the Disposal on the earnings per share (**EPS**) for FY2007 will be as follows:

	FY2007	
	Before the Disposal	(Proforma) After the Disposal
Profit after tax (S\$'000)	6,150	8,412
Weighted average number of shares ('000)	228,400,298	228,400,298
EPS (cents)	2.69	3.68

(ii) Net Tangible Asset

Assuming that the Disposal had been effected on 31 December 2007, and based on audited balance sheet of the Group as at 31 December 2007, the proforma financial effect of the Disposal on the net tangible asset (**NTA**) per share as at the end of FY2007 is as follows:

	FY2007	
	Before the Disposal	(Proforma) After the Disposal
NTA (S\$'000)	46,460	49,483
Number of shares ('000)	238,169,200	238,169,200
NTA per share (cents)	19.51	20.78

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual based on the audited consolidated financial statements of the Group for FY 2007 are as follows:

Rule 1006(a) - The net asset value of assets being disposed of compared with the net asset value of the Group	20.9% ⁽¹⁾
Rule 1006(b) - The net profits attributable to the assets acquired compared with the Group's net profits	8.3% ⁽²⁾
Rule 1006(c) - The aggregate value of the consideration given for the assets compared with the Company's market capitalisation	38.3% ⁽³⁾
Rule 1006(d) - The number of equity securities issued by the Company as consideration for the Disposal compared with the number of equity securities of the Company previously in issue	Not Applicable

Notes.

- (1) Based on the net book value of the Property as at 31 December 2007.
- (2) Based on the audited financial statements of the Group for its financial year ended 31 December 2007, the Group had net profits of \$7.1 million.
- (3) This figure is computed based on the consideration price of S\$14 million for the Disposal. The Company has a market capitalisation of approximately S\$36.6 million based on the closing share price as at 16 September 2008 and 252,083,460 shares (excluding treasury shares).

As the relative figures under Rule 1006(a) and (c) of the Listing Manual exceed 20%, the Disposal is classified as a major transaction for the purposes of Chapter 10 of the Listing Manual. Accordingly, the Company is required to seek the approval of its shareholders for, *inter alia*, the Disposal at an extraordinary general meeting to be convened. The Company has applied to the SGX-ST for a waiver of the requirement to seek shareholders' approval for the Disposal as the Property is a non-core asset of the Group and the Group currently does not utilise the Property for its main business (which comprises container depot operation, container sales agencies and survey, as well as warehousing and container freight services). The Company will make an announcement in due course on whether such waiver is granted by the SGX-ST.

7. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

None of the directors (other than in his capacity as a director or shareholder of the Company) and controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at 13 Tuas Avenue 11 Singapore 639079 for a period of three months from the date of this announcement.

By Order of the Board
Li Hung
Deputy Chairman

22 September 2008