



ENG KONG HOLDINGS LIMITED

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(Company Registration No. 199407478G)

Eng Kong records a 52.3% increase in FY08 net profit attributable to shareholders to S\$9.4 million

- Revenue improves by 14.9% to S\$81.7 million
- Rewards shareholder with a final dividend of 0.3 cents per share and a special dividend of 0.6 cents per share
- Explores strategic expansion of container depot facilities in the region to meet the surge in demand for storage space

Financial Highlights for Year Ended 31 December 2008

(S\$'000)	FY2008	FY2007	Change
Overall Turnover	81,669	71,084	14.9%
Gross Profit	20,802	18,880	10.2%
Profit After Tax	9,162	5,924	54.7%
Net Profit Attributable to Shareholders	9,369	6,150	52.3%
Gross Profit Margin	25.5%	26.6%	-
Net Profit Attributable to Shareholders Margin	11.5%	8.7%	-
Basic EPS (cents)	3.86*	2.69**	-

* Based on weighted average number of ordinary shares of 242,883,040

** Based on weighted average number of ordinary shares of 228,400,298

Singapore, 26 February 2009 – 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, announced a net profit attributable to shareholders of S\$9.4 million for the financial year ended 31 December 2008 (“FY2008”).

Revenue grew steadily by 14.9% to S\$81.7 million from S\$71.1 million in FY2007. This is primarily related to higher revenue from the storage, handling and sale of parts (mainly from Singapore, China and Malaysia) and transportation sales under the Container Depot Operation segment, which contributed an increase of S\$6.2 million. The Group also

secured higher revenue from the Container Sales, Agencies and Survey segment of S\$4.3 million due to more used containers sold.

Other operating income increased by S\$2.4 million or 108.6% to S\$4.6 million. This is mainly due to the inclusion of the gain from disposal of property, plant and equipment of S\$3.7 million, which contributed significantly to the bottom line performance.

General administrative expenses increased by S\$1.5 million or 15.0% to S\$11.8 million, mainly due to higher headcount costs, printing, repair and maintenance costs. This is in line with the growth in revenue.

In addition to that, the Group saw a S\$1.1 million or 145.0% jump in other operating expenses, which included the change in fair value of derivative asset of S\$0.5 million and exchange loss of S\$0.7 million. The derivative asset refers to the fair value of the call option granted by Gold Prime Holdings Limited (“GPHL”) for Eng Kong to exercise additional 20% of enlarged shares in GPHL within the next 3 years.

Following the completion of acquisition of 30% in GPHL in mid 2008, the Group recorded its share of results of associates at S\$1.2 million, up 642.4% from the previous year.

For bottom line performance, net profit after tax increased by 54.7% to S\$9.2 million.

Despite additional bank borrowings being taken up to finance the acquisition of GPHL, the Group remained strong with a net cash position of S\$13.1 million as at 31 December 2008, supported by healthy net cash flows from operating activities of S\$8.1 million.

As a reward for shareholders, the Group proposed a final dividend of 0.3 cents per ordinary share and a special dividend of 0.6 cents per ordinary share, subject to shareholders’ approval at the forthcoming Annual General Meeting.

“We are very pleased to recommend this special dividend in addition to our final dividend for FY2008. We hope that this reward would serve as a token of appreciation to our dear shareholders for their unwavering support, especially during challenging times. This also reflects our commitment to drive the Group forward in the best interest of the shareholders.”

Mr Eddie Li Hung (李雄), Deputy Chairman of Eng Kong

Going forward

The successful acquisition of 30% stake in Tianjin-based logistics service provider, Keyun via its Hong Kong holding company, GPHL, came as a timely boost to the Group's logistics capabilities in the China market. By leveraging on Keyun's strong international and domestic logistics network, Eng Kong aims to become an integrated logistics provider in the region.

“Based on our observation, times are difficult for container shipping lines and container leasing companies. Demand has weakened due to the global economic crisis, and such trend is expected to prevail in 2009. In the context of Eng Kong, the decline in shipping volume might spelt favor for us, as we expects the utilization rate and demand for our depot facility to increase.”

Mr Paul Ng Kam Ming (伍锦明), Managing Director of Eng Kong

To cater for the growing demand for container storage space within the next 12 months, the Group is planning for strategic expansion of its container depot capacity in the region, for instance Thailand and Malaysia, to achieve steady and profitable growth.

In view of the global financial crisis, the Group will also exercise extra caution in managing its expenses, working capital cash flows and selection of customers.

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About Eng Kong Holdings Limited

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

Founded in 1978 by Deputy Chairman Mr Eddie Li Hung and Managing Director Mr Paul Ng Kam Ming, 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 550,000 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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