



ENG KONG HOLDINGS LIMITED

Singapore • Malaysia • Thailand • China • Hong Kong • Vietnam

13 Tuas Avenue 11 Singapore 639079 Tel: 6861 6355 Fax: 6861 1498

Website: <http://www.engkong.com> Email: enquiry@engkong.com

(Company Registration No. 199407478G)

Eng Kong reports net earnings of S\$8.6 million for FY2009

- Gross profit improves by 25.8% to S\$26.2 million driven by higher utilisation of container depots
- Excluding the one-off disposal gain in FY2008, FY2009 PATMI effectively grew by 50.2%
- Rewards shareholders with a final dividend of 0.7 cent and special dividend of 2.7 cents per ordinary share
- To leverage on vast opportunities arising from Singapore's emerging role as a global business hub

Singapore, 25 February 2010 – 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, today announced a net profit attributable to shareholders of S\$8.6 million for the financial year ended 31 December 2009 (“FY2009”).

Financial Highlights At A Glance

(S\$'000)	FY2009	FY2008	% Change
Revenue	86,964	81,669	6.5
Gross Profit	26,179	20,812	25.8
Gross Profit Margin	30.1%	25.5%	-
Profit After Tax	8,787	9,162	(4.1)
Net Profit Attributable to Shareholders	8,642	9,313	(7.2)
Basic Earnings per Share (cents)	3.38*	3.83**	(11.7)
Recommended Final Dividend per Share (cent)	0.7	0.3	133.3
Recommended Special Dividend per Share (cents/cent)	2.7	0.6	350.0

* Based on weighted average number of ordinary shares of 255,742,684 for year ended 31 December 2009

** Based on weighted average number of ordinary shares of 242,883,040 for year ended 31 December 2008

Revenue grew by 6.5% to S\$87.0 million on the back of the strong demand for container storage throughout FY2009 amidst slowdown in global trade movements. The Group experienced high utilisation at many of its major depots across Singapore, Malaysia, Hong Kong and China, which contributed S\$74.0 million in revenue under the Container Depot Operation segment. The increase in overall revenue was partially offset by lower contribution from the other two business arms, namely Container Sales, Agencies and Survey segment and Warehousing and CFS segment.

Revenue by Business Segments (S\$'000)	FY2009	FY2008	Change (%)
Container Depot Operation	73,965	62,560	18.2
Warehousing and CFS	5,321	6,995	(23.9)
Container Sales, Agencies and Survey	7,634	12,068	(36.7)
Others	44	46	(4.3)
Total	86,964	81,669	6.5

As the rental costs of the Group's depots were mostly fixed in nature, the high utilisation in FY2009 has effectively lowered the average fixed cost per sales dollar and led to a 25.8% surge in gross profit to S\$26.2 million in FY2009, even after taking into account the high overflow costs arising from containers in excess of the Group's capacity. Gross profit margin improved from 25.5% in FY2008 to 30.1% in FY2009.

Other operating income declined by S\$3.0 million to S\$1.7 million, mainly due to the S\$3.6 million gain on disposal of property at 43 Tech Park Crescent in FY2008. By excluding the one-off gain, the PATMI of Eng Kong in fact grew by an impressive 50.2%.

As at 31 December 2009, the Group remained financially healthy with a net cash position (cash and bank balances less bank loans) of S\$16.2 million (31 December 2008: S\$13.1 million), supported by positive cash flows from operating activities of S\$9.0 million (FY2008: S\$8.1 million).

Rewarding the shareholders

The Directors are pleased to recommend a final dividend of 0.7 cent per ordinary share (FY2008: 0.3 cent per ordinary share) and a special dividend of 2.7 cents per ordinary share for FY2009.

“We are fairly encouraged by the steady set of results this year, which proved the resilience of Eng Kong’s business model in times of economic uncertainty. To appreciate the support given by our shareholders during the economic downturn, we would like to reward them with a special dividend, which will be paid out of the excess cash proceeds from the land disposal in FY08. This, we hope, will further enhance the confidence our shareholders have in us, as we continue to drive the Group forward.”

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

Going Ahead

As previously announced on 15 January 2010, the Group has successfully completed the proposed acquisition of a leasehold property in Malaysia at a purchase consideration of RM6.7 million (equivalent to S\$2.8 million). This has further strengthened Eng Kong’s market presence at the West Port of Port Klang, Malaysia.

“Recent market indicators have shown gradual signs of recovery and on that basis, we do expect the international trade volume to improve in the coming months. In line with the government’s vision to groom Singapore into a global business hub via the newly announced Budget 2010, Eng Kong which offers both non-storage and storage activities stands in a uniquely strategic position to tap on the opportunities abound in this region as the market turns.”

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

The Group also maintains a prudent stance in managing its expenses and working capital cash flows.

– End –

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 and Vietnam, with a total land area of over 730,000 sq m, supported by total staff strength of more than 600. 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.

For more information, please contact:

Ms Kathy ZHANG/ Ms LOOI Jo-Anne

Financial PR Pte Ltd

Tel: (65) 6438 2990

Fax: (65) 6438 0064

E-mail: staff@financialpr.com.sg