

WONG FONG INDUSTRIES LIMITED
Company Registration No.: 201500186D
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF EDUCARE HUMAN CAPITAL PRIVATE LIMITED AND EDUCARE INTERNATIONAL CONSULTANCY PTE. LTD.

The board of directors (the “**Board**” or the “**Directors**”) of Wong Fong Industries Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiaries, Ascendo International Holdings Pte. Ltd. (“**AIH**”) and Ascendo Group International Pte. Ltd. (“**AGI**”) had, on 31 July 2019, entered into two conditional sale and purchase agreements (“**SPAs**”) with Educare Co-operative Limited (the “**Vendor**”) to acquire:

- (a) 503,500 ordinary shares, representing 95% of the issued and paid-up share capital of Educare Human Capital Private Limited (“**EHC**”) (the “**Proposed EHC Acquisition**”); and
- (b) 475,000 ordinary shares, representing 95% of the issued and paid-up share capital of Educare International Consultancy Pte. Ltd. (“**EIC**”) (the “**Proposed EIC Acquisition**”),

(collectively, the “**Proposed Acquisitions**”).

The Vendor is not related to the Directors or the controlling shareholders of the Company and their respective associates.

EHC was incorporated in Singapore on 12 November 2004 and its principal activities are provision of educational services and recruitment of personnel. EIC was incorporated in Singapore on 2 February 2006 and its principal activities are provision of local and consultancy services under the brand name of “Educare”. Based on the pro forma management accounts as at 30 June 2019, the aggregate net tangible asset value of EHC and EIC should be less than S\$10,000. No independent valuation had been conducted on EHC and EIC.

Upon completion of the Proposed Acquisitions, the shareholders of EHC will be AIH (95%) and the Vendor (5%) and the shareholders of EIC will AGI (95%) and the Vendor (5%).

The purchase consideration (the “**Purchase Consideration**”) of the Proposed Acquisitions shall be a cash consideration of S\$80,000 for the Proposed EHC Acquisition and S\$30,000 for the Proposed EIC Acquisition.

The Purchase Consideration was determined based on arm’s length negotiations between AIH and AGI and the Vendor and was arrived at on a willing buyer willing seller basis after taking into account, *inter alia*, Educare is a recognized brand name, and EHC and EIC have established network that will allow the Group to expand and diversify into the education, training and human capital businesses.

Based on the latest announced audited consolidated financial statements of the Group for the financial year ended 31 December 2018 and the pro forma management accounts of EHC and EIC for the 11-month period ended 28 February 2019, none of the relative figures of the Proposed Acquisitions computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading exceeds 5%.

The Directors believe that with the Proposed Acquisitions, the current training business will be able to enhance its top and bottom line through harnessing administrative and operational efficiencies within the Group.

The Proposed Acquisitions are not expected to have any material impact on the earnings per share or the net tangible assets per share of the Group for the current financial year ending 31 December 2019.

None of the Directors or controlling shareholders of the Company and their respective associates has any direct or indirect interest in the Proposed Acquisitions other than through their respective shareholding interests in the Company (if any).

BY ORDER OF THE BOARD

Liew Ah Kuie
CO-FOUNDER & CEO
1 August 2019

This announcement has been prepared by the Company and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Catalist Rules. This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.