

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

PROPOSED INVESTMENT IN BOTSYNC PTE. LTD.

1. INTRODUCTION

The board of directors (“**Board**” or “**Directors**”) of Wong Fong Industries Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce that the Group's wholly-owned subsidiary, WFVEN Pte. Ltd. (“**WFVEN**”) had, on 17 January 2020, entered into an agreement (“**Agreement**”) with the founders of Botsync Pte. Ltd (“**Botsync**”) and certain other investors for the subscription of new ordinary shares in the share capital of Botsync (“**Proposed Investment**”).

2. INFORMATION ON BOTSYNC AND RATIONALE

Botsync is a Singapore-based robotics startup with a vision to provide easily deployable and cost-effective mobile solution to enable companies to improve their labour productivity. Other than Singapore, it has a development office in India. More information is available on www.botsync.sg.

Botsync was founded in December 2017 and was incubated under the Nanyang Technological University’s ERI@N Accelerator Program (“**EAP**”). The company’s founders were avid roboticists who had led Nanyang Technological University’s robotics team to the finals of the Mohammed Bin Zayed International Robotics Competition 2017 in Abu Dhabi, U.A.E. as one among the top 25 universities from a global pool of over 200 robotics teams. The early prototype development was funded by the company’s founders along with the support of EAP resources. The founding team was then accepted into the Brinc Hardware Accelerator Program in December 2018 and received their first pre-seed investment from Artesian Venture Partners. With their first external investment, the company expanded to further refine their autonomous technology stacks and build products that could solve their customers’ material handling requirements.

The Board has considered the prospects of Botsync and is of the view that the Proposed Investment may enable the Company to tap into Botsync’s artificial intelligence and robotics knowledge and explore synergies with its Engineering business. With the expanded capability, the Board expects the creation of shareholder value in the long run.

3. SALIENT TERMS OF THE PROPOSED INVESTMENT

Pursuant to the Agreement, WFVEN will subscribe for such number of new ordinary shares representing approximately 7.6% of the enlarged share capital of Botsync (“**Subscription Shares**”) for an aggregate cash consideration of US\$375,000 (“**Consideration**”). In addition, several other unrelated co-investors will also be subscribing for new ordinary shares in the share capital of Botsync pursuant to the Agreement.

Based on the latest unaudited financial statements of Botsync for the financial period as at 30 November 2019, Botsync’s net tangible asset is approximately S\$37,000. The Consideration was arrived at on arm’s length negotiations having considered Botsync’s recent financial performance Botsync’s growth potential and management forecasted revenue growth.

In connection with the Proposed Investment, WFVEN has entered into a shareholders' agreement with the shareholders of Botsync, an advisory services agreement with Botsync, and a put option agreement with Botsync's founders in relation to the Subscription Shares, and Wong Fong Engineering Works (1988) Pte. Ltd. has entered into a licence agreement with Botsync in relation to certain premises located at 79 Joo Koon Circle, Singapore 629107.

As the relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**") do not exceed 5%, the Proposed Investment is considered a "non-discloseable" transaction under Chapter 10 of the Catalist Rules.

4. FINANCIAL EFFECTS OF THE PROPOSED INVESTMENT

The Proposed Investment will be funded through the Company's internal resources and is not expected to have a material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2020.

5. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN THE PROPOSED INVESTMENT

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the Proposed Investment, save for their shareholding interests (if any), in the Group.

By Order of the Board

Liew Ah Kuie
Co-Founder and Group Chief Executive Officer
23 March 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with Rules 226(2) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and 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.