

FOR IMMEDIATE RELEASE

Wong Fong Industries posts 17% net profit increase to \$4.2 million in FY2017

- *Proposes a 20% increase of final dividend to 0.36 Singapore cents per share*

Summary of Financial Results For Financial Year Ended 31 December 2016 and 2017:

\$ million	FY2017	FY2016	+/(-)%
Revenue	67.3	70.2	(4.1)
Profit attributable to owners of the Company	4.2	3.6	17.1
Cash and cash balances	25.6	20.8	23.1
Earnings per share	1.8	1.5	20.0
Net asset value per share	20.5	18.8	9.0

SINGAPORE, 01 March 2018 – Wong Fong Industries Limited (黄芳工业有限公司) (“**Wong Fong Industries**” or the “**Company**” and together with its subsidiaries, the “**Group**”), one of Singapore’s leading providers of land transport engineering solutions and systems, posted a 17% increase in net profit attributable to owners of the Company of \$4.2 million on revenue of \$67.3 million for the financial year ended 31 December 2017 (“**FY2017**”).

The revenue decline was mainly attributable to a decrease in revenue from Equipment Sales and Repairs and Servicing of \$4.2 million and \$1.6 million respectively and partially offset by an increase in revenue from Projects and Training of \$0.4 million and \$2.5 million respectively. The decrease in Equipment Sales and Repairs and Servicing was due to a challenging business environment, increased competition from new market entrants and Euro 6 emission regulations introduced in January 2018. With Wong Fong Academy Pte. Ltd. (“**WFA**”) turning profitable in FY2017 and the acquisition of 60% equity interest in Ascendo International Holdings Pte. Ltd. (“**Ascendo**”), the Training division’s revenue increased by more than 200% to \$3.7 million in FY2017 (FY2016: \$1.2 million).



Moving into FY2018, the demand for new equipment is expected to remain subdued as a result of the newly introduced Euro 6 emission standards effective in January 2018. Repairs and servicing is expected to remain stable in FY2018.

With the acquisition of Ascendo, the total number of Workforce Skill Qualifications (“**WSQ**”) courses offered to the public has increased from 16 WSQ courses to over 50 WSQ courses. Together with Wong Fong Academy Pte Ltd, the training segment is expected to be an important profit contributor to the Group for FY2018.

Mr Jimmy Lew, Chairman of the Group, said, “The Ascendo acquisition had enabled the Group to not only diversify our recurring income base but also take a big step towards establishing ourselves as a leading one-stop provider of a diverse range of training courses for various industry segments. As such, the Group will be investing more resources into the training business whilst looking out for further synergistic partnership in and outside Singapore.”

“Though the Group expects FY2018 to be a challenging year, we anticipate overall business to remain profitable. The Group had already begun to review and actively manage its expenses and will continue to invest in its human capital, capability enhancements as well as actively look out for strategic alliances both in and outside Singapore.”

The Group proposed a final tax exempt (one-tier) cash dividend of 0.36 Singapore cents (FY2016: 0.30 cents) per share. This represents a 20% increase in FY2017 dividend payout compared to FY2016.

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About Wong Fong Industries

With origins tracing back to 1964, Wong Fong Industries Limited (“**Wong Fong Industries**” and together with its subsidiaries, the “**Group**”) is one of the leading providers of land transport engineering solutions and systems for various industries, with a presence in Singapore, Malaysia and the People’s Republic of China.



The Group's four core businesses include (1) Equipment Sales, (2) Projects, (3) Repairs and Servicing, and (4) Training. Apart from the sale and installation of load handling systems and waste management systems, the Group also manages projects in which it provides design, customisation, fabrication and integration services to meet customers' requirements. The Group owns one of the largest service centres for truck-mounted cranes and hookloaders in Singapore and provides accredited training courses relating to, among others, operation of industrial equipment, risk management implementation and supervision of safe lifting operations.

To-date, the Group has manufacturing facilities in Singapore and Malaysia with a combined built-up area of more than 16,500 square metres and a broad customer base comprising more than 3,000 customers from various industries.

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