

**FOR IMMEDIATE RELEASE**

## Wong Fong Industries posts net profit of \$3.6 million in FY2016

- *Proposes a first and final dividend of 0.3 Singapore cents per share*

**Summary of Financial Results For Financial Year Ended 31 December 2015 and 2016:**

\$ million	FY2016	FY2015	+ / (-)%
Revenue	70.2	77.6	(10)
Profit before tax	4.0	5.7	(31)
Profit attributable to owners of the Company	3.6	5.6	(36)

SINGAPORE, 28 February 2017 – 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 net profit attributable to owners of the Company of \$3.6 million on revenue of \$70.2 million for the financial year ended 31 December 2016 (“FY2016”).

In the same period the previous year (“FY2015”), the Group posted revenue of \$77.6 million and net profit attributable to owners of the Company of \$5.6 million.

The revenue decline was due to reduced contribution from the Equipment Sales division, which was partially offset by an increase in revenue from the Projects and Training divisions. Revenue from the Equipment Sales division came in at \$48.5 million in FY2016, from \$58.4 million previously, due to a challenging business environment, increased competition from new market entrants and a decrease in sales of high-value equipment. However, revenue from the Projects division rose by 35% year-on-year to \$6.9 million as more equipment units were completed and delivered during the year.

Notably, revenue from its new Training division, which falls under Wong Fong Academy Pte Ltd (“WFA”), more than doubled to \$1.2 million from \$0.5 million previously, with more Workforce



Development Authority (“WDA”) approved programmes being secured. The Group’s Repairs and Servicing division registered stable revenue of \$13.6 million.

The Group has proposed a first and final tax-exempt (one-tier) cash dividend of 0.3 Singapore cents per share, which translates into a dividend payout of approximately 20% of the Group’s net profit attributable to owners of the Company.

**Mr Eric Lew (刘振荣), Executive Director of the Group, said, “To further increase our earnings resilience and expand our recurring income base, we have identified the Training division as a core earnings pillar for our Group. Our aim is to establish WFA as a leading one-stop provider of a diverse range of training courses for various industry segments over the next 5 years. Hence, we should be intensifying our efforts to grow WFA in 2017.”**

WFA was appointed as a Public Training Organisation under the Workforce Skills Qualifications Framework (Construction Sector) in November 2016, and currently provides a total of 13 accredited training courses for the infrastructure development and manufacturing sectors.

For FY2017, the Group expects the Training division to register growth due to an increase in WDA approved programs being offered. With the challenging local economy, increased competition and continued weakness in the marine and oil and gas industry, the Group expects a slowdown in equipment sales. Notwithstanding the anticipated challenges in the Equipment Sales division, the Group expects the Repairs and Servicing division to remain stable.

**“With business expected to remain challenging in 2017, we will take this opportunity to undertake process and product innovation, form strategic alliances, invest in retooling and capability enhancements as well as retrain our staff. While this may have a short term impact on our bottom line, it should position us well to ride on the next wave of growth when the economy recovers,” added Mr Lew.**



**Issued for and on behalf of Wong Fong Industries Limited**

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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 land area of approximately 16,500 square metres and a broad customer base comprising more than 3,000 customers from various industries.

### **IMPORTANT NOTICE**

**This Press Release should be read in conjunction with the unaudited financial statements announcement of Wong Fong Industries Limited for FY2016.**

This Press Release 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 the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Press Release. This Press Release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Press Release, including the correctness of any of the statements or opinions made or reports contained in this Press Release. 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.