

**FOR IMMEDIATE RELEASE**

**Wong Fong Industries posts net profit of S\$0.7 million on revenue of S\$28.1 million in HY2017**

**Summary of Financial Results for Half Year ended 30 June:**

S\$'000	HY2017	HY2016	+/(-)%
Revenue	28,057	30,620	(8)
Other operating income	189	299	(37)
Profit before tax	754	1,042	(28)
Profit attributable to owners of the Company	712	870	(18)

**SINGAPORE, 8 August 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 attributable profit of S\$0.7 million for the half year ended 30 June 2017 (“HY2017”), compared to S\$0.9 million the year before (“HY2016”).

Group revenue declined 8% to S\$28.1 million in HY2017, from S\$30.6 million in HY2016, mainly due to a decrease in revenue from the Equipment Sales, and the Repairs and Servicing business segments. This was partially offset by an increase in revenue from the Projects and the Training business segments. While the Equipment Sales, and the Repairs and Servicing businesses were affected by the challenging business and regulatory environment and increased competition from new market entrants, the Projects business grew from more equipment units being completed and delivered. The Training business also grew due to an increase in WDA approved programs being secured.

Notably, revenue from the Training business, which operates under Wong Fong Academy Pte Ltd (“WFA”), rose by S\$0.4 million on the back of more WDA approved programmes being offered. The Group currently offers 16 courses , compared to 13 courses in 2016.

**Commenting on the results, Mr Eric Lew (刘振荣), Executive Director of the Group, said, “Our Training business has seen healthy growth both in terms of revenue and number of course offerings**

and we are very encouraged by its rapid progress. With the Singapore government's push towards restructuring the economy and helping workers to deepen their skillsets, we see opportunities in this area and we also want to harness the potential our industry value chain presents. Thus we are intensifying our efforts and allocating more resources towards growing the Training business which will expand the Group's recurring income base."

In the next 12 months, the Training business is expected to continue its strong growth momentum and make a positive contribution, while the Repairs and Servicing business is expected to remain stable. The Equipment Sales business may be impacted by the weakness in the oil and gas sector which will indirectly affect demand for the Group's equipment, as well as increased competition from new market entrants.

"Even as the business climate remains challenging, we are looking to expand in industries with high growth potential that we already have a foothold in, such as waste management. Our aim is to increase our breadth and depth in this market through a wider range of product offerings that can bring innovative technology and solutions to our customers. We are also making inroads into other geographical markets in Asia which have good prospects for our business," said Mr Lew.

In line with the Group's focus on the waste management industry, it recently collaborated with two leading European principals, Bucher Industries AG and Europress Group Oy, to supply a wider range of waste management products and solutions in Singapore, Malaysia and Myanmar, catering to requirements for new technology and innovation in these markets. With 5 brands in its waste management systems portfolio, the Group is well-positioned to meet the pressing needs of solid waste management in Southeast Asia.

The Group's operations in Myanmar has commenced with the distribution, rental and marketing services of heavy and construction machinery including related spare parts, accessories and engineering works. Myanmar's construction industry is forecast to record rapid growth in the next 5 years, at an annual average rate of 10.37%, according to a report by Timetric's Construction Intelligence



Center. In real terms, the industry's value stood at US\$8.2 billion in 2015, and is anticipated to reach US\$13.5 billion in 2020.<sup>1</sup>

Even though the Group expects the economic climate to remain challenging ahead, it believes it is well-positioned for market recovery, when it comes.

Said Mr Lew, "We have made good use of the economic lull to arm Wong Fong Industries with the tools and capabilities to navigate the new norm in our business environment. Among others, this includes innovating our processes and products, exploring strategic alliances and investments in retooling and capability enhancements. Barring any severe deterioration of the economy, we believe we are ready to ride the next market upturn."

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**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, Myanmar 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

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<sup>1</sup> "Myanmar's construction industry to reach US\$13.5 billion in 2020" by Timetric's Construction Intelligence Centre, 23 June 2016

<https://www.construction-ic.com/pressrelease/myanmars-construction-industry-to-reach-us135-billion-in-2020-4931896/>



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 total built-up area of approximately 128,000 square feet 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 the half year ended 30 June 2017.**

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 Singapore Exchange Securities Trading Limited (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.