

**[Headline] MANUFACTURING A GROWTH STORY: CHONG FONG ENGINEERING PTE LTD**

**[Standfirst]** *Under the leadership of second-generation leader Mr Ryan Ng, the company has turned challenges into opportunities and successes.*



In Mandarin, the name Chong Fong is a combination of the words “忠” (*zhōng*), which means devotion, and “丰” (*fēng*), which means abundance and success. In keeping with his father’s legacy, second-generation leader Mr Ryan Ng applies that same devotion to his business, despite facing somewhat different challenges. As the current General Manager of Chong Fong Engineering, he intends to ensure that the company is sustainable and continues to have abundant success.

Formed in 1976 by the late Mr Ng Kok Sen and his business partner, Mr Khoo Chin Teng, Chong Fong began as a small machining shop in Jurong. Today, the company is a leading original equipment manufacturer (OEM) and automation house. It serves the oil and gas, aerospace, semiconductor, and automobile industries, with factories throughout the region, including Singapore, Malaysia and Thailand.

As a much smaller endeavour decades ago, Chong Fong had excelled in serving the shipyards as a small machining shop doing repair work. By the 1990s, the company had evolved and transformed into one of the leading firms in Singapore designing and building factory automation for electronics customers, such as Sony, Hitachi and more. Around this time, the company began to expand its operations overseas, moving alongside its customers.

In the mid-2000s, Chong Fong realised that operating in Singapore had become increasingly challenging with the rising cost of manufacturing. Thus, the management decided to downsize its operations in the country and focused more of its attention on its overseas entities.



*Mr Ryan Ng, General Manager of Chong Fong Engineering*

It was in this environment that Ryan took over the reins of the company after the passing of his father in December 2012. Although he grew up watching his father and accumulated working and business experience in Singapore and regionally, Ryan struggled initially. “When I joined, I was still new to the engineering world,” he recalls. “So, in the first few years, I just focused on adding value where I could — whether going out to get more sales or trying to find new business. I managed to get some small results, but it wasn’t great because it is difficult for a young person to convince others to award us projects.”

Thankfully, he weathered his baptism of fire with the support of his father’s partner, Mr Khoo Chin Teng, who had taken the young man under his wing. “In a business partnership that evolves into the next generation, it’s typical in Singapore for one partner to buy the other side out to avoid any problems. But in our case, there was a very strong kinship, and (Mr Khoo) decided to train me even though I am not his son,” explains Ryan, who calls the older man his mentor.

**Uncovering hidden opportunities**

Ryan proved his mettle as a business leader in his own right through a series of moves that helped revive Chong Fong’s Singapore operations. In 2016, he and Mr Khoo’s son, Mr Khoo Guan Yi, entered the niche aerospace tooling market after a German customer provided them with an opportunity. During that period, Ryan was seriously considering Chong Fong’s future. Should the company close, or could he find a way to

soldier on amid challenging circumstances? Thankfully, his foray into the aerospace tooling business proved successful — accounting for some 30 per cent of Chong Fong’s overall portfolio today — and helped to fuel rapid growth from then on. Subsequently, revenue from the company’s Singapore factory alone grew to around S\$8 million in 2022 from just S\$1 million in 2016.



*Chong Fong’s Singapore operations in Tuas Ave 10*



*Co-founder and Managing Director of Chong Fong Engineering, Mr Khoo Chin Teng (third from right) with his son, Mr Khoo Guan Yi (fourth from right), and representatives of Ichi Seiki, a metal working machinery and engineering solutions company*

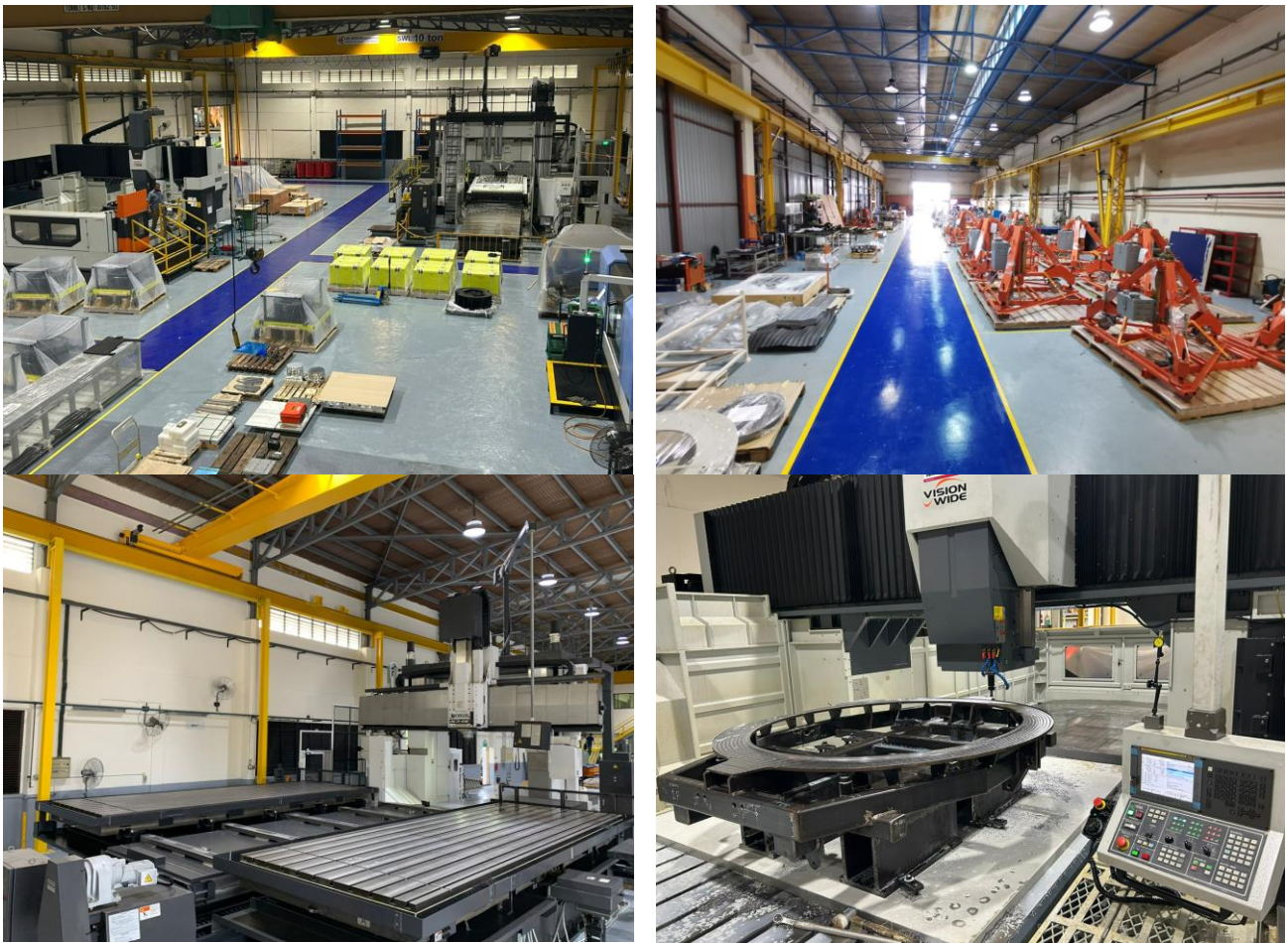
Another opportunity to expand the Singapore business came during the COVID-19 pandemic. Before the outbreak, Chong Fong had built products at its Malaysian factories before bringing them back to Singapore for assembly and quality control checks. However, the border closure meant this was no longer possible. In response, Ryan decided to invest several million dollars to re-setup a machining and manufacturing workshop in Singapore, making it a more independent and self-contained entity.

The plan was further delayed for a year in 2021 as the company could only install its Japanese machines after the borders reopened. Now that the redeveloped Singapore factory is up and running, Ryan believes its capability will position Chong Fong for more resilient and sustainable growth over the long term. And while the pandemic saw the company's revenue decline by almost 70 per cent, it has since rebounded to pre-pandemic levels.

### **A rainbow amid the storm**

Business-wise, Chong Fong took the opportunity to diversify strategically. Previously, the company's Malaysian branch did very little business on its own as the factory there was more like a production workshop serving the Singapore business. The prolonged closures and restrictions brought on by the pandemic showed the value in being self-reliant while having the competitive advantage of being part of a group. "With the pandemic, the need to become more resilient became very important. So, now, instead of being a cost centre, the Malaysia factory has evolved to become a profit centre," Ryan shares. "Likewise, in Singapore, we invested and increased production locally, so we are not over-reliant on our Malaysia factory."

In particular, Chong Fong in Singapore specialises in highly complex tooling for the aerospace industry as well as process skids and equipment for the offshore oil and gas industry. The company's subsidiary in Malaysia, CFM Technologies Sdn Bhd, specialises in metal fabrication and machining. Another subsidiary in Thailand called CFT Engineering Co Ltd, which was incorporated in 1998, serves automobile manufacturers with custom design-and-build engineering solutions and machines.



*A showcase of the highly complex tooling machines at Chong Fong's Malaysia factory*

### **The best person for the job**

Finding innovations that can give Chong Fong an edge over the competition is another way for the company to stay ahead of the curve. Ryan also has ambitions for the company to be a global name — one to be reckoned with in the industries it specialises in.

Leveraging on government grants and continuing education opportunities for his employees, he is in the process of digitalising certain areas of Chong Fong's operations and transforming its business. He himself enrolled in the one-year Enterprise Leadership for Transformation programme by the Singapore Management University, which is supported by Enterprise Singapore and UOB, and jointly managed by SMU Academy and UOB-SMU Asian Enterprise Institute. "Digitalisation has helped us have better clarity and transparency when it comes to our workflows and job scheduling. As a result, our operations will become more systematic," Ryan says. "But change takes time."

He acknowledges that introducing new technologies or modes of operating to the company's ageing workforce can be challenging. However, he is committed to helping them adapt and upskill. The company's older employees contribute significantly to the business and help to guide the younger ones with their years of knowledge and experience. "We need to be thankful for the first generation and what they have done, even as we look to the future," Ryan says.

Ultimately, a belief in the importance of sustaining the business has shaped Ryan's thinking for the future of Chong Fong's business. When asked about mentoring the next generation of leaders, he says, "I would look at finding the best and most suitable candidates, or partners, who can grow the business."