

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR

- 1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Income statements for the 9 months ended 30 September 2018:

	Group					
	3 months ended		Change + / (-)	9 months ended		Change + / (-)
	30 Sep 18	30 Sep 17		30 Sep 18	30 Sep 17	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations						
Sales	12,325	11,077	11.3	36,002	34,372	4.7
Cost of sales	(8,356)	(7,502)	11.4	(24,346)	(23,231)	4.8
Gross profit	3,969	3,575	11.0	11,656	11,141	4.6
Other income	360	78	361.5	795	519	53.2
Expenses						
- Distribution and marketing	(1,398)	(1,612)	(13.3)	(4,508)	(4,808)	(6.2)
- Administrative	(1,015)	(1,190)	(14.7)	(3,915)	(3,646)	7.4
- Finance income (Note 1)	98	279	NA	7	367	NA
- Others	(140)	21	(766.7)	(225)	(53)	324.5
	(2,455)	(2,502)	(1.9)	(8,641)	(8,140)	6.2
Profit before income tax (Note 2)	1,874	1,151	62.8	3,810	3,520	8.2
Income tax expense	(172)	(214)	(19.6)	(779)	(649)	20.0
Profit for the financial period, representing profit attributable to owners of the Company	1,702	937	81.6	3,031	2,871	5.6
Other comprehensive income, net of tax						
Foreign currency translation reserves - foreign operations, net of tax of \$Nil	100	395		(104)	349	
Other comprehensive income for the financial period, net of tax	100	395	NM	(104)	349	NM
Total comprehensive income for the financial period	1,802	1,332		2,927	3,220	

Note :

1. Finance income are made up of :
- Net change in fair value of derivatives
 - Foreign exchange from financing activities
 - Interest expenses
2. Profit before income tax has been arrived at after charging/(crediting):
- Amortisation and depreciation
 - Allowance for impairment of third party trade receivables
 - (Reversal of impairment)/Impairment loss on inventories
 - Foreign exchange (gain)/loss - net

	3 months ended		9 months ended	
	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17
	S\$'000	S\$'000	S\$'000	S\$'000
	(24)	(1)	2	(292)
	(95)	(298)	(71)	(131)
	21	20	62	56
	42	35	125	109
	2	-	15	-
	(34)	(18)	1	27
	(206)	142	(112)	19

NM: Not meaningful

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1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at end of the immediately preceding financial year

	Group 30 Sep 18 S\$'000	Group 31 Dec 17 S\$'000	Company 30 Sep 18 S\$'000	Company 31 Dec 17 S\$'000
ASSETS				
Current assets				
Cash and bank balance	16,349	14,767	1,421	1,277
Trade and other receivables	13,070	9,841	4,684	6,415
Prepayments	1,235	1,010	14	8
Inventories	14,954	14,244	-	-
	45,608	39,862	6,119	7,700
Non-current assets				
Subsidiaries	-	-	21,814	21,814
Property, plant and equipment	2,086	2,180	9	19
Deferred tax assets	390	691	-	-
	2,476	2,871	21,823	21,833
Total assets	48,084	42,733	27,942	29,533
LIABILITIES				
Current liabilities				
Trade and other payables	13,449	9,466	177	176
Derivative financial instruments	7	4	-	-
Current tax liabilities	778	364	2	3
Provision for warranty	94	94	-	-
Borrowings	1,634	1,820	-	-
	15,962	11,748	179	179
Non-current liabilities				
Borrowings	3	9	-	-
Retirement benefit obligations	712	722	-	-
Deferred tax liabilities	66	67	-	-
	781	798	-	-
Total liabilities	16,743	12,546	179	179
NET ASSETS	31,341	30,187	27,763	29,354
EQUITY				
Capital and reserves attributable to Company's equity holders				
Share capital	149,642	149,642	149,642	149,642
Other reserves	17,073	17,177	18,650	18,650
Accumulated losses	(135,374)	(136,632)	(140,529)	(138,938)
	31,341	30,187	27,763	29,354

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1 (b)(ii) Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 30/09/2018		As at 31/12/2017	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
1,634	-	1,820	-

(b) Amount repayable after one year

As at 30/09/2018		As at 31/12/2017	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
3	-	9	-

Details of any collateral

Secured borrowings are generally bank overdrafts and finance lease secured on building and/or floating charge over the assets of borrowing companies.

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1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	3 months ended 30 Sep 18 S\$'000	3 months ended 30 Sep 17 S\$'000	9 months ended 30 Sep 18 S\$'000	9 months ended 30 Sep 17 S\$'000
Cash flows from operating activities				
Profit for the financial period	1,702	937	3,031	2,871
Adjustments for:				
Income tax expense	172	214	779	649
Depreciation and amortisation	42	35	125	109
Retirement benefit plan expense	63	51	167	148
Interest expenses	21	20	62	56
Interest income	(2)	-	(4)	-
(Reversal of impairment)/Impairment loss on inventories	(34)	(18)	1	27
Impairment losses on trade and other debtors	2	-	15	-
Provision made for warranty	(2)	23	2	35
Deconsolidation of a subsidiary	95	-	95	-
Net change in fair value of derivatives	(24)	(1)	2	(292)
Net foreign exchange gain	(82)	(4)	(7)	(21)
Operating profit before working capital changes	<u>1,953</u>	<u>1,257</u>	<u>4,268</u>	<u>3,582</u>
Changes in operating assets and liabilities				
Inventories	(1,988)	(834)	(722)	103
Trade and other receivables	(2,714)	3,145	(3,216)	1,939
Prepayments	442	492	(235)	(67)
Trade and other payables	3,964	(8)	3,872	928
Provision for warranty	2	(23)	(2)	(35)
Retirement benefit contribution paid	(63)	(51)	(167)	(148)
Cash generated from operations	<u>1,596</u>	<u>3,978</u>	<u>3,798</u>	<u>6,302</u>
Interest received	2	-	4	-
Income tax paid	14	(8)	(21)	(43)
Net cash from operating activities	<u>1,612</u>	<u>3,970</u>	<u>3,781</u>	<u>6,259</u>
Cash flows from investing activity				
Acquisition of property, plant and equipment	(22)	(11)	(50)	(31)
Net cash used in investing activity	<u>(22)</u>	<u>(11)</u>	<u>(50)</u>	<u>(31)</u>
Cash flows from financing activities				
Repayment of finance lease	-	-	(2)	(1)
Dividends paid	-	-	(1,773)	(709)
Interest paid	(21)	(20)	(62)	(56)
Net cash used in financing activities	<u>(21)</u>	<u>(20)</u>	<u>(1,837)</u>	<u>(766)</u>
Net increase in cash and cash equivalents	<u>1,569</u>	<u>3,939</u>	<u>1,894</u>	<u>5,462</u>
Beginning of financial period	<u>13,251</u>	<u>8,407</u>	<u>12,956</u>	<u>6,841</u>
Effects of exchange rate changes on cash and cash equivalents	(98)	150	(128)	193
End of financial period (Note A)	<u>14,722</u>	<u>12,496</u>	<u>14,722</u>	<u>12,496</u>

Note A:

Cash and cash equivalents consist of:

Cash and bank balance

Less: Bank overdrafts

	30 Sep 18 S\$'000	30 Sep 17 S\$'000	30 Sep 18 S\$'000	30 Sep 17 S\$'000
Cash and bank balance	16,349	14,348	16,349	14,348
Less: Bank overdrafts	(1,627)	(1,852)	(1,627)	(1,852)
	<u>14,722</u>	<u>12,496</u>	<u>14,722</u>	<u>12,496</u>

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share Capital S\$'000	Capital Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 January 2018	149,642	18,650	(1,473)	(136,632)	30,187
Total comprehensive income for the financial period	-	-	218	447	665
Balance at 31 March 2018	149,642	18,650	(1,255)	(136,185)	30,852
Dividends Paid	-	-	-	(1,773)	(1,773)
Total comprehensive income for the financial period	-	-	(422)	882	460
Balance at 30 June 2018	149,642	18,650	(1,677)	(137,076)	29,539
Total comprehensive income for the financial period	-	-	100	1,702	1,802
Balance at 30 September 2018	149,642	18,650	(1,577)	(135,374)	31,341
Balance at 1 January 2017	149,642	18,650	(1,517)	(139,139)	27,636
Total comprehensive income for the financial period	-	-	(436)	765	329
Balance at 31 March 2017	149,642	18,650	(1,953)	(138,374)	27,965
Dividends Paid	-	-	-	(709)	(709)
Total comprehensive income for the financial period	-	-	390	1,169	1,559
Balance at 30 June 2017	149,642	18,650	(1,563)	(137,914)	28,815
Total comprehensive income for the financial period	-	-	395	937	1,332
Balance at 30 September 2017	149,642	18,650	(1,168)	(136,977)	30,147

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Share Capital S\$'000	Capital Reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 January 2018	149,642	18,650	(138,938)	29,354
Total comprehensive income for the financial period	-	-	(62)	(62)
Balance at 31 March 2018	149,642	18,650	(139,000)	29,292
Dividends Paid	-	-	(1,773)	(1,773)
Total comprehensive income for the financial period	-	-	158	158
Balance at 30 June 2018	149,642	18,650	(140,615)	27,677
Total comprehensive income for the financial period	-	-	86	86
Balance at 30 September 2018	149,642	18,650	(140,529)	27,763
Balance at 1 January 2017	149,642	18,650	(152,750)	15,542
Total comprehensive income for the financial period	-	-	829	829
Balance at 31 March 2017	149,642	18,650	(151,921)	16,371
Dividends Paid	-	-	(709)	(709)
Total comprehensive income for the financial period	-	-	57	57
Balance at 30 June 2017	149,642	18,650	(152,573)	15,719
Total comprehensive income for the financial period	-	-	19	19
Balance at 30 September 2017	149,642	18,650	(152,554)	15,738

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- 1 (d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There were no outstanding warrants as at 30 September 2018 (31 December 2017 : NIL).

- (d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 September 2018, the Company has issued ordinary shares of 35,458,818 (2017: 35,458,818). There has been no changes in the Company's share capital since the end of previous year reported on.

- (d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company does not hold any treasury shares as at the end of the current financial period reported on.

- 2 **Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the Group's auditors.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group has adopted the new SFRS (I) framework in 2018 and concurrently applied the following SFRS(I)s, interpretations of SFRS(I) and requirements of SFRS (I) which are mandatorily effective from 1 January, 2018.

- SFRS(I) 1 First-time adoption of Singapore Financial Reporting Standards (International)
- SFRS(I) 15 Revenue from Contracts with Customers which includes the clarifications to IFRS 15 Revenue from Contracts with Customers issued by the IASB in April 2016
- SFRS(I) 9 Financial Instruments which includes the amendments to IFRS 4 insurance contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts issued by the IASB in September 2016

The adoption of the new financial reporting framework has no material impact to the Group's and the Company's financial statements in the year of initial application.

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6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share of the group for the financial period, after deducting any provision for preference dividends: -

(i) Based on weighted average number of ordinary shares in issue
- continuing operations

(ii) On a fully diluted basis
- continuing operations

Group		Group	
3 months ended		9 months ended	
30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17
Cents	Cents	Cents	Cents
4.80	2.64	8.55	8.10
4.80	2.64	8.55	8.10

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

Net assets value per ordinary share based on issued share capital of the issuer at the end of the financial period/year

Number of existing issued shares at end of period/year

Group		Company	
30 Sep 18	31 Dec 17	30 Sep 18	31 Dec 17
Cents	Cents	Cents	Cents
88.4	85.1	78.3	82.8
35,458,818	35,458,818	35,458,818	35,458,818

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Income Statement

Group Performance for 3 months ended 30 September 2018 ("Q3 2018")

For the three months ended 30 September 2018 ('Q3 2018'), Brook Crompton Holdings Ltd and its subsidiaries ('the Group') achieved sales of S\$12.3 million, an increase of 11.3% compared with the corresponding preceding quarter ('Q3 2017') sales of S\$11.1 million. The increase is due to improvement of sales in BC North America for United States and Canada market.

Gross margin remains stable as compared with Q3 2017. Higher other income in Q3 2018 mainly due to higher foreign exchange gain from operating activities. Lower finance income in Q3 2018 mainly due lower foreign exchange gain from financing activities, as internal loan in United States has been fully repaid in Q3 2018.

Profit before income tax increased by 62.8% to S\$1.9 million from Q3 2017's S\$1.2 million. This is mainly due to higher other income which contributed by higher foreign exchange gain from operating activities and reduction in overall distribution and administration expenses.

Group Performance for 9 months ended 30 September 2018 ("2018")

Cumulative sales for the current 9 months is S\$36.0 million, slight increase of 4.7% as compared with the corresponding preceding nine months period ("2017") sales of S\$34.4 million. This is mainly due to sales increase in BC North America for United States and Canada market. The gross profit in 2018 has improved by 4.6% as compared to 2017, resulted from higher sales of products with better margin in 2018.

Cumulative expenses for the current 9 months increased by 7.4% to S\$8.7 million compared to S\$8.1 million in 2017. This is mainly due to one off severance payment to the employees which caused the increase in administrative expenses. At the same time, there was an increase in other operating expenses mainly due to the deconsolidation of a dormant subsidiary in 2018. The finance income in 2018 is relatively lower as compared to 2017, mainly due to unfavourable net changes in fair value of derivatives in 2018.

As a result of the above, the profit before income tax increased by 8.2% to S\$3.8 million and EBITDA (earnings before interest, tax, depreciation and amortisation) increase from S\$3.0 million in 2017 to S\$3.6 million in 2018.

Statement of Financial Position

Net Assets increased by 3.8% to \$31.3 million after taking in the net profit for the period of \$3.0 million and dividend payout of \$1.8 million. Trade and other receivables increased from \$9.8 million in Dec 2017 to \$13.1 million in Sep 2018, due to higher sales in past months and slow payment made by customers. Current ratio remains at a healthy level of 2.9 in Sep 2018 as compared to 3.4 in Dec 2017.

Statement of Cash Flows

Net cash generated from operating activities decreased to S\$3.8 million in 2018 as compared to S\$6.3 million in 2017, mainly due to slow payment made by customers. Net cash used in financing activities increased to S\$1.8 million in 2018 as compared to S\$0.8 million in 2017. This is mainly due to the higher dividend payout made to shareholders in 2018. Net cash position stand at S\$14.7 million in 2018, however, net cash position in 2017 only S\$12.5 million.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

10 **A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's North American business is showing good growth following the general improvement of the local market. This has helped to offset the uncertainty in the UK where the Group's business has remained stable thanks to its strong brand recognition and large installed base. The Group will continue to take advantage of the recovering oil and gas market to find further growth potential. The highly competitive Asia Pacific market remains challenging.

The Group maintains its market position with a strong brand name recognition and continues to be a competitive supplier of electric motors and drives, widening its product range and enhancing its value added modification services to better support the customers base.

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11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the financial period reported on? **None**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **None**

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect

No dividends are proposed for the period ended 30 September 2018.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	YTD		YTD	
	Q3 2018	Q3 2017	Q3 2018	Q3 2017
	S\$'000	S\$'000	S\$'000	S\$'000
General Transactions				
Wolong Electric Group Co Ltd	-	-	8,887	9,937
ATB Nordenham GmbH	-	-	163	603
ATB Sever d.o.o.	-	-	623	542
ATB Tamel S.A	-	-	8,227	8,330
ATB UK Group	-	-	325	476
ATB Schorch GmbH	-	-	2,853	1,125
			21,078	21,013

14 Negative Assurance on interim Financial Statements

On behalf of the Board of Directors of the Company, we, Richard Macindoe Eason and Pang Xinyuan, being two directors of the Company, do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 September 2018 to be false or misleading in any material aspect.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the preceding year**

Not applicable.

- 16 **In the review of performance, the factors leading to any material changes in contributions to turnover and earning by the business or geographical segments**

Not applicable.

- 17 **A breakdown of sales**

Not applicable.

- 18 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	Latest Year (S\$'000)	Previous Year (S\$'000)
Ordinary	NIL	NIL
Preference	Not Applicable	Not Applicable
Total	NIL	NIL

- 19 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.

- 20 **Confirmation that the issuer has procured undertaking from all its Directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1))**

The Company confirms that it has already procured undertakings from all of its Directors and executive officer in the format as set out in Appendix 7.7 of the SGX-ST Listing Manual.

On behalf of the Board

Richard Macindoe Eason
Chief Executive Officer, Director
Singapore, 8 Nov 2018