

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 6 months ended 30 June 2018:

	Group					
	3 months ended		Change + / (-) %	6 months ended		Change + / (-) %
	30 Jun 18	30 Jun 17		30 Jun 18	30 Jun 17	
	S\$'000	S\$'000		S\$'000	S\$'000	
Continuing operations						
Sales	11,689	11,426	2.3	23,677	23,295	1.6
Cost of sales	(7,826)	(7,654)	2.2	(15,990)	(15,729)	1.7
Gross profit	3,863	3,772	2.4	7,687	7,566	1.6
Other income	392	463	(15.3)	435	441	(1.4)
(Expenses)/Income:						
- Distribution and marketing	(1,558)	(1,592)	(2.1)	(3,110)	(3,196)	(2.7)
- Administrative	(1,644)	(1,241)	32.5	(2,900)	(2,456)	18.1
- Finance (Note 1)	(2)	54	(103.7)	(91)	88	(203.4)
- Others	(53)	(32)	65.6	(85)	(74)	14.9
	(3,257)	(2,811)	15.9	(6,186)	(5,638)	9.7
Profit before income tax (Note 2)	998	1,424	(29.9)	1,936	2,369	(18.3)
Income tax expense	(116)	(255)	(54.5)	(607)	(435)	39.5
Profit for the financial period, representing profit attributable to owners of the Company	882	1,169	(24.6)	1,329	1,934	(31.3)
Other comprehensive income, net of tax						
Foreign currency translation reserves - foreign operations, net of tax of \$Nil	(422)	390		(204)	(46)	
Other comprehensive income for the financial period, net of tax	(422)	390	NM	(204)	(46)	NM
Total comprehensive income for the financial period	460	1,559		1,125	1,888	

Note :

1. Finance (expenses)/income include foreign exchange loss from financing activities of S\$0.02mil (2017: foreign exchange loss from financing activities of S\$0.17mil). Unfavourable net changes in fair value of derivatives of S\$0.03mil (2017: Favourable net changes in fair value of derivatives of S\$0.29mil)

2. Profit before tax has been arrived at after charging/(crediting):

Depreciation and amortisation
Write-off on inventories
Allowance for impairment of third party trade receivables
Foreign exchange (gain)/loss - net

3 months ended		6 months ended	
30 Jun 18	30 Jun 17	30 Jun 18	30 Jun 17
S\$'000	S\$'000	S\$'000	S\$'000
41	37	83	74
43	21	35	45
-	-	13	-
(210)	24	94	161

NM: Not meaningful

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 Jun 18 S\$'000	Group 31 Dec 17 S\$'000	Company 30 Jun 18 S\$'000	Company 31 Dec 17 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	14,785	14,767	679	1,277
Trade and other receivables	10,192	9,841	5,316	6,415
Prepayments	1,689	1,010	5	8
Inventories	12,822	14,244	-	-
	39,488	39,862	6,000	7,700
Non-current assets				
Subsidiaries	-	-	21,814	21,814
Property, plant and equipment	2,076	2,180	7	19
Deferred tax assets	389	691	-	-
	2,465	2,871	21,821	21,833
Total assets	41,953	42,733	27,821	29,533
LIABILITIES				
Current liabilities				
Trade and other payables	9,365	9,466	143	176
Derivative financial instruments	30	4	-	-
Current tax liabilities	618	364	1	3
Provision for warranty	93	94	-	-
Borrowings	1,542	1,820	-	-
	11,648	11,748	144	179
Non-current liabilities				
Borrowings	4	9	-	-
Retirement benefit obligations	697	722	-	-
Deferred tax liabilities	65	67	-	-
	766	798	-	-
Total liabilities	12,414	12,546	144	179
NET ASSETS	29,539	30,187	27,677	29,354
EQUITY				
Capital and reserves attributable to Company's equity holders				
Share capital	149,642	149,642	149,642	149,642
Other reserves	16,973	17,177	18,650	18,650
Accumulated losses	(137,076)	(136,632)	(140,615)	(138,938)
	29,539	30,187	27,677	29,354

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 30/06/2018		As at 31/12/2017	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
1,542	-	1,820	-

(b) Amount repayable after one year

As at 30/06/2018		As at 31/12/2017	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
4	-	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.

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 Jun 18 S\$'000	3 months ended 30 Jun 17 S\$'000	6 months ended 30 Jun 18 S\$'000	6 months ended 30 Jun 17 S\$'000
Cash flows from operating activities				
Profit for the financial period	882	1,169	1,329	1,934
Adjustments for:				
Income tax expense	116	255	607	435
Depreciation and amortisation	41	37	83	74
Retirement benefit plan expense	55	53	104	97
Interest expenses	20	18	41	36
Interest income	(1)	-	(2)	-
Write-off on inventories	43	21	35	45
Allowance for impairment of third party trade receivables	-	-	13	-
Provision made for warranty	9	12	4	12
Net change in fair value of derivatives	26	(332)	26	(291)
Net foreign exchange gain	69	(8)	75	(17)
Operating profit before working capital changes	<u>1,260</u>	<u>1,225</u>	<u>2,315</u>	<u>2,325</u>
Changes in operating assets and liabilities				
Inventories	900	(306)	1,266	937
Trade and other receivables	672	(266)	(502)	(1,206)
Prepayments	(624)	(181)	(677)	(559)
Trade and other payables	(661)	1,786	(92)	936
Provision for warranty	(9)	(12)	(4)	(12)
Cash generated from operations	<u>1,538</u>	<u>2,246</u>	<u>2,306</u>	<u>2,421</u>
Interest received	1	-	2	-
Income tax paid	(15)	(8)	(35)	(35)
Retirement benefit contribution paid	(55)	(53)	(104)	(97)
Net cash from operating activities	<u>1,469</u>	<u>2,185</u>	<u>2,169</u>	<u>2,289</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment	(17)	(10)	(28)	(20)
Net cash used in investing activities	<u>(17)</u>	<u>(10)</u>	<u>(28)</u>	<u>(20)</u>
Cash flows from financing activities				
Repayment of finance lease	-	-	(2)	(1)
Dividends paid	(1,773)	(709)	(1,773)	(709)
Interest paid	(20)	(18)	(41)	(36)
Net cash used in financing activities	<u>(1,793)</u>	<u>(727)</u>	<u>(1,816)</u>	<u>(746)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(341)</u>	<u>1,448</u>	<u>325</u>	<u>1,523</u>
Beginning of financial period	<u>13,952</u>	<u>6,853</u>	<u>12,956</u>	<u>6,841</u>
Effects of exchange rate changes on cash and cash equivalents	(360)	106	(30)	43
End of financial period (Note A)	<u>13,251</u>	<u>8,407</u>	<u>13,251</u>	<u>8,407</u>

Note A:

Cash and cash equivalents consist of:

	30 Jun 18 S\$'000	30 Jun 17 S\$'000	30 Jun 18 S\$'000	30 Jun 17 S\$'000
Cash and bank balance	14,785	10,205	14,785	10,205
Less: Bank overdrafts	(1,534)	(1,798)	(1,534)	(1,798)
	<u>13,251</u>	<u>8,407</u>	<u>13,251</u>	<u>8,407</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
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

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
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

- 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 changes in the company's share capital during the current reporting period.

There were no outstanding warrants as at 30 June 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 June 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.

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		6 months ended	
30 Jun 18 Cents	30 Jun 17 Cents	30 Jun 18 Cents	30 Jun 17 Cents
2.49	3.30	3.75	5.45
2.49	3.30	3.75	5.45

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 Jun 18 Cents	31 Dec 17 Cents	30 Jun 18 Cents	31 Dec 17 Cents
83.3	85.1	78.1	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 June 2018 (Q2 2018)

For the three months ended 30 June 2018 ('Q2 2018'), Brook Crompton Holdings Ltd. and its subsidiaries ('the Group') has recorded sales of S\$11.7 million, slight increase of 2.3% as compared to the corresponding preceding quarter ('Q2 2017') sales of S\$11.4 million. This is mainly due to improvement of sales in BC United Kingdom ("BCUK") and BC North America. However, sales contributed by BC Asia Pacific ("BCAP") remains low as compared to Q2 2017. Slight improvement of gross profit in Q2 2018 as compared to Q2 2017, resulted from the higher sales of products with better margin in Q2 2018.

Overall expenses increase by 15.9% to S\$3.3 million mainly due to the increase in administrative expenses, resulted from investment in restructuring of BCUK. The distribution and marketing expenses remain consistent as compared to Q2 2017. Finance expenses position in Q2 2018 mainly due to unfavourable net changes in fair value of derivatives.

As a result of the above, profit before income tax decrease by 29.9% to S\$1.0 million and EBITDA (earnings before interest, tax, depreciation and amortisation) decrease from S\$1.4 million in Q2 2018 to S\$1.0 million in Q2 2017.

Group Performance for 6 months ended 30 June 2018 ('2018')

Cumulative sales for the current 6 months is S\$23.7 million, slight increase of 1.6% as compared to the corresponding preceding half year ('2017') sales of S\$23.3 million. This is mainly due to sales increase in BC United Kingdom ("BCUK") and BC North America. However, sales contributed by BC Asia Pacific ("BCAP") remains low as compared to 2017. The gross profit in 2018 has improved by 1.6% as compared to 2017, resulted from the higher sales of products with better margin in 2018.

Cumulative expenses for the current 6 months increase by 9.7% to S\$6.2 million in 2018 as compared to S\$5.6 million in 2017. This is mainly due to investment in restructuring of BCUK and caused significant increase in administrative expenses. Finance expenses position in 2018 mainly due to unfavourable net changes in fair value of derivatives in 2018.

As a result of the above, profit before income tax decrease by 18.3% to S\$1.9 million and EBITDA (earnings before interest, tax, depreciation and amortisation) decrease from S\$2.4 million in 2018 to S\$2.1 million in 2017.

Statement of Financial Position

Net assets decreased by 2.2% to S\$29.5 million as compared to year ended 2017's S\$30.2 million, after dividend pay out of S\$1.8 million and taking in the profit for the financial period of S\$1.3 million. Trade and other receivables increased by 3.6% to S\$10.2 million due to higher sales in the past months and slow payment made by customers. Current ratio remains at a healthy level of 3.4 which is consistent with year ended 2017.

Statement of Cash Flows

Net cash generated from operating activities decreased to S\$2.2 million in 2018 as compared to S\$2.3 million in 2017. Net cash used in financing activities are much higher in 2018 as compared to 2017. This is mainly due to higher dividend pay out made current financial period. Net cash position stand at S\$13.3 million in 2018, however, net cash position in 2017 only S\$8.4 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.**

UK market remains major market and focus for the Group, as the distribution sales business remains strong in UK. Sales in North America market is picking up due to stability of oil price, as resulted of increase in the upstream oil and gas activities in North America. However, Asia Pacific market remains challenging, with high competition on product price and relatively low complexity compared to European and America markets. Users in Asia Pacific remains slow to adopt higher efficiency products and regulators are not introducing new standards as rapidly as in other region, limiting our opportunity in certain key markets.

The Group always maintain its market position with a strong brand recognition and continues to be a competitive supplier of electric motor, with widen our product portfolio by extending product range and adding new products and enhance our modification services to create more value-added products to the customers.

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 June 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	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017
	S\$'000	S\$'000	S\$'000	S\$'000
General Transactions				
Wolong Electric Group Co Ltd	-	-	6,144	6,414
ATB Nordenham GmbH	-	-	163	483
ATB Sever d.o.o.	-	-	200	388
ATB Tamel S.A	-	-	5,415	5,429
ATB Schorch GmbH	-	-	369	-
ATB UK Group	-	-	325	330
			12,617	13,044

14 Negative Assurance on interim Financial Statements

On behalf of the Board of Directors of the Company, we, Pang Xinyuan and Chao Mun Leong, 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 June 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

Pang Xinyuan
 Chairman and Director
 Singapore, 16 July 2018