

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 2019:

	Group					
	3 months ended		Change + / (-)	6 months ended		Change + / (-)
	30 Jun 19	30 Jun 18		30 Jun 19	30 Jun 18	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations						
Sales	12,120	11,689	3.7	23,995	23,677	1.3
Cost of sales	(8,094)	(7,826)	3.4	(15,873)	(15,990)	(0.7)
Gross profit	4,026	3,863	4.2	8,122	7,687	5.7
Other income	300	392	(23.4)	391	435	(10.1)
Expenses:-						
- Distribution and marketing	(1,743)	(1,558)	11.9	(3,144)	(3,110)	1.1
- Administrative	(769)	(1,644)	(53.2)	(1,743)	(2,900)	(39.9)
- Finance expense	(47)	(2)	2,243.2	-	(91)	(100.0)
- Others	(213)	(53)	302.1	(391)	(85)	360.0
	(2,772)	(3,257)	(14.9)	(5,278)	(6,186)	(14.7)
Profit before income tax (Note)	1,554	998	55.7	3,235	1,936	67.1
Income tax expense	(417)	(116)	259.6	(598)	(607)	(1.5)
Profit for the financial period, representing profit attributable to owners of the Company	1,137	882	28.9	2,637	1,329	98.4
Other comprehensive income, net of tax						
Foreign currency translation reserves - foreign operations, net of tax of \$Nil	(468)	(422)		(195)	(204)	
Other comprehensive income for the financial period, net of tax	(468)	(422)	NM	(195)	(204)	NM
Total comprehensive income for the financial period	669	460		2,442	1,125	

Note :

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

Depreciation and amortisation	194	41	389	83
Write-off on inventories	41	43	48	35
Allowance for impairment of third party trade receivables	-	-	-	13
Foreign exchange (gain)/loss - net	(101)	(210)	(52)	94

30 Jun 19	3 months ended		30 Jun 19	6 months ended	
	S\$'000	S\$'000		S\$'000	S\$'000
	194	41	389	83	
	41	43	48	35	
	-	-	-	13	
	(101)	(210)	(52)	94	

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 19 S\$'000	Group 31 Dec 18 S\$'000	Company 30 Jun 19 S\$'000	Company 31 Dec 18 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	18,206	16,469	2,389	1,966
Trade and other receivables	10,359	9,286	4,277	6,781
Prepayments	1,165	889	2	2
Inventories	15,127	14,375	-	-
	44,857	41,019	6,668	8,749
Non-current assets				
Subsidiaries	-	-	23,204	21,814
Property, plant and equipment	4,831	2,002	415	8
Deferred tax assets	312	314	-	-
	5,143	2,316	23,619	21,822
Total assets	50,000	43,335	30,287	30,571
LIABILITIES				
Current liabilities				
Trade and other payables	10,841	9,461	156	164
Current tax liabilities	1,232	673	1	3
Provision for warranty	105	104	-	-
Lease liabilities	628	-	100	-
Borrowings	1,211	1,083	-	-
	14,017	11,321	257	167
Non-current liabilities				
Lease liabilities	2,217	-	308	-
Borrowings	1	2	-	-
Retirement benefit obligations	603	583	-	-
Deferred tax liabilities	2	2	-	-
	2,823	587	308	-
Total liabilities	16,840	11,908	565	167
NET ASSETS	33,160	31,427	29,722	30,404
EQUITY				
Capital and reserves attributable to Company's equity holders				
Share capital	149,642	149,642	149,642	149,642
Other reserves	16,246	16,441	18,650	18,650
Accumulated losses	(132,728)	(134,656)	(138,570)	(137,888)
	33,160	31,427	29,722	30,404

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 30/06/2019		As at 31/12/2018	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
1,211	-	1,083	-

(b) Amount repayable after one year

As at 30/06/2019		As at 31/12/2018	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
1	-	2	-

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 19 S\$'000	3 months ended 30 Jun 18 S\$'000	6 months ended 30 Jun 19 S\$'000	6 months ended 30 Jun 18 S\$'000
Cash flows from operating activities				
Profit for the financial period	1,136	882	2,636	1,329
Adjustments for:				
Income tax expense	417	116	598	607
Depreciation and amortisation	194	41	389	83
Retirement benefit plan expense	59	55	105	104
Interest expenses	27	20	56	41
Interest income	(8)	(1)	(17)	(2)
Write-off on inventories	41	43	48	35
Allowance for impairment of third party trade receivables	-	-	-	13
Provision made for warranty	3	9	(5)	4
Net change in fair value of derivatives	-	26	-	26
Net foreign exchange (gain)/loss	(6)	69	(38)	75
Operating profit before working capital changes	1,862	1,260	3,772	2,315
Changes in operating assets and liabilities				
Inventories	(510)	900	(644)	1,266
Trade and other receivables	531	672	(1,041)	(502)
Prepayments	(248)	(624)	(291)	(677)
Trade and other payables	921	(661)	1,247	(92)
Provision for warranty	(3)	(9)	5	(4)
Cash generated from operations	2,554	1,538	3,048	2,306
Interest received	8	1	17	2
Income tax paid	(6)	(15)	(25)	(35)
Retirement benefit contribution paid	(59)	(55)	(105)	(104)
Net cash from operating activities	2,496	1,469	2,935	2,169
Cash flows from investing activities				
Acquisition of property, plant and equipment	(5)	(17)	(8)	(28)
Net cash used in investing activities	(5)	(17)	(8)	(28)
Cash flows from financing activities				
Repayment of finance lease	-	-	(2)	(2)
Dividends paid	(709)	(1,773)	(709)	(1,773)
Interest paid	(16)	(20)	(34)	(41)
Lease rental paid	(167)	-	(334)	-
Net cash used in financing activities	(892)	(1,793)	(1,079)	(1,816)
Net increase/(decrease) in cash and cash equivalents	1,600	(341)	1,849	325
Beginning of financial period	15,819	13,952	15,392	12,956
Effects of exchange rate changes on cash and cash equivalents	(421)	(360)	(242)	(30)
End of financial period (Note A)	16,998	13,251	16,998	13,251

Note A:	30 Jun 19 S\$'000	30 Jun 18 S\$'000	30 Jun 19 S\$'000	30 Jun 18 S\$'000
Cash and cash equivalents consist of:				
Cash and bank balance	18,206	14,785	18,206	14,785
Less: Bank overdrafts	(1,208)	(1,534)	(1,208)	(1,534)
	16,998	13,251	16,998	13,251

- 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 2019	149,642	18,650	(2,209)	(134,656)	31,427
Total comprehensive income for the financial period	-	-	273	1,500	1,773
Balance at 31 March 2019	149,642	18,650	(1,936)	(133,156)	33,200
Dividends Paid	-	-	-	(709)	(709)
Total comprehensive income for the financial period	-	-	(468)	1,137	669
Balance at 30 June 2019	149,642	18,650	(2,404)	(132,728)	33,160
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

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 2019	149,642	18,650	(137,888)	30,404
Total comprehensive income for the financial period	-	-	53	53
Balance at 31 March 2019	149,642	18,650	(137,835)	30,457
Dividends Paid	-	-	(709)	(709)
Total comprehensive income for the financial period	-	-	(26)	(26)
Balance at 30 June 2019	149,642	18,650	(138,570)	29,722
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

- 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 2019 (31 December 2018 : 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 2019, the Company has issued ordinary shares of 35,458,818 (2018: 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 in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2018.

- 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**

The Group has adopted new Financial Reporting Standards in Singapore ("SFRSs") for the financial period beginning 1 January 2019 as follows:

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group recognises its existing operating lease arrangements as ROU assets with corresponding lease liabilities and measures lease liabilities by applying a single discount rate to its leases.

The Group applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities on 1 January 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of SFRS(I) 16.

For the ROU assets, the Group presents them as part of plant and equipment.

The nature of expenses related to such leases has changed as the principles under SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

There is no significant impact to the financial statements of the Group.

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 19	30 Jun 18	30 Jun 19	30 Jun 18
Cents	Cents	Cents	Cents
3.21	2.49	7.44	3.75
3.21	2.49	7.44	3.75

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 19	31 Dec 18	30 Jun 19	31 Dec 18
Cents	Cents	Cents	Cents
93.5	88.6	83.8	85.7
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 2019 (Q2 2019)

For the three months ended 30 June 2019 ('Q2 2019'), Brook Crompton Holdings Ltd. and its subsidiaries ('the Group') has recorded sales of S\$12.1 million, slight increase of 3.7% as compared to the corresponding preceding quarter ('Q2 2018') sales of S\$11.7 million. This is mainly due to improvement of sales in United States market, Canada market and Asia Pacific market. However, sales in UK market was affected by Brexit uncertainty. Slight improvement of gross profit in Q2 2019 as compared to Q2 2018, resulted from the higher sales of products with better margin in Q2 2019.

Overall expenses decrease by 14.9% to S\$2.8 million mainly due to the decrease in administrative expenses, there was one off severance payment to the employees in Q2 2018 which caused the increase in administrative expenses in Q2 2018. However, there was no such costs incurred in Q2 2019. The distribution and marketing expenses increase by 11.9% as compared to Q2 2018 mainly due to increase in sales commission and transportation costs, resulted from sales increase in BC North America. Finance expenses in Q2 2019 mainly relate to interest expenses on bank overdrafts and interest expense on lease liabilities that recognised as at 30 June 2019. Others expenses in Q2 2019 is much higher as compared to Q2 2018 mainly due to adoption of SFRS(I) 16 leases and additional depreciation charge on right of use assets.

As a result of the above, profit before income tax increase by 55.7% to S\$1.6 million and EBITDA (earnings before interest, tax, depreciation and amortisation) increase to S\$1.8 million in Q2 2019 from S\$1.0 million in Q2 2018. Income tax expense in Q2 2019 is higher as compared to Q2 2018, due to profitable of BC North America, hence additional corporate tax provided in Q2 2019.

Group Performance for 6 months ended 30 June 2019 ('2019')

Cumulative sales for the current 6 months is S\$24.0 million, slight increase of 1.3% as compared to the corresponding preceding half year ('2018') sales of S\$23.7 million. This is mainly due to sales increase in United States market, Canada market and Asia Pacific market. However, sales in UK market still remains challenging which affected by Brexit uncertainty. Slight improvement of gross profit in 2019 as compared to 2018, resulted from the higher sales of products with better margin in 2019.

Cumulative expenses for the current 6 months decrease by 14.7% to S\$5.3 million in 2019 as compared to S\$6.2 million in 2018. This is mainly due to one off severance payment to the employees in 2018 and lower personnel costs in 2019, then caused the decrease in administrative expenses. Finance expenses relates interest expenses on bank overdrafts and interest expense on lease liabilities. However, the interest expenses have been offset by the foreign exchange gain from financing activities and caused no finance expense in 2019. Others expenses in 2019 is much higher as compared to 2018 mainly due to adoption of SFRS(I) 16 leases and additional depreciation charge on right of use assets.

As a result of the above, profit before income tax increase by 67.1% to S\$3.2 million and EBITDA (earnings before interest, tax, depreciation and amortisation) increase to S\$3.6 million in 2019 from S\$2.1 million in 2018. Income tax expense in 2019 is higher as compared to 2018, due to profitable of BC North America, hence additional corporate tax provided in 2019.

Statement of Financial Position

Net assets decreased by 5.5% to S\$33.2 million as compared to year ended 2018's S\$31.4 million, after dividend pay out of S\$0.7 million and taking in the profit for the financial period of S\$2.6 million. Current ratio remains at a healthy level of 3.2 as at 30 June 2019.

Significant increase in Plant and equipment mainly due to adoption of SFRS(I) 16 leases, right of use assets have been recognised as at 30 June 2019. Trade and other receivables increased by 11.6% to S\$10.4 million from prior year of S\$9.3 million, resulted from higher sales in the past months and slow payment made by customers.

Current liabilities have increased by 23.8% to S\$14.0 million from S\$11.3 million prior year. The increases are due to slow payment made to trade payables, higher borrowing with higher drawdown of bank overdrafts in BC North America and additional corporate tax provision made for BC North America. At the same time, with adoption of SFRS(I) 16 leases, lease liabilities has been recognised as at 30 June 2019.

Statement of Cash Flows

Net cash generated from operating activities increased to S\$2.9 million in Q2 2019 as compared to S\$2.2 million in Q2 2018, mainly due to higher profit contributed in current financial period and slow payment made to suppliers in Q2 2019 as compared to Q2 2018. Net cash used in financing activities are much lower in Q2 2019 as compared to Q2 2018. This is mainly due to lower dividend pay out in current financial period.

Net cash position stand at S\$17.0 million in Q2 2019, however, net cash position in Q2 2018 only S\$13.2 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 maintaining its' trend of growth in the USA in focused industry segments. Ongoing market uncertainty with regard to the position of the UK on Brexit creates challenging conditions for growth in the UK, where the Group's business has remained stable. In the Asia Pacific, as well as the European and North American markets, the Group will address wider markets with new product ranges to address market segments attracting investment.

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.

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 2019.

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 2019 S\$'000	Q2 2018 S\$'000	Q2 2019 S\$'000	Q2 2018 S\$'000
General Transactions				
Wolong Electric Group Co Ltd	-	-	6,897	6,144
Wolong Americas LLC	-	-	212	-
ATB Nordenham GmbH	-	-	-	163
ATB Sever d.o.o.	-	-	-	200
ATB Tamel S.A	-	-	5,907	5,415
ATB Schorch GmbH	-	-	-	369
ATB UK Group	-	-	235	325
			13,251	12,617

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 2019 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, 17 July 2019