

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 2020:

	Group		
	6 months ended		Change + / (-) %
	30 Jun 20	30 Jun 19	
S\$'000	S\$'000		
Continuing operations			
Sales	22,426	23,995	(6.5)
Cost of sales	(15,452)	(15,873)	(2.7)
Gross profit	6,974	8,122	(14.1)
Other income	385	391	(1.5)
Expenses:-			
- Distribution and marketing	(3,048)	(3,144)	(3.1)
- Administrative	(1,767)	(1,743)	1.4
- Net finance income	39	-	NM
- Others	(471)	(391)	20.5
	(5,247)	(5,278)	(0.6)
Profit before income tax (Note)	2,112	3,235	(34.7)
Income tax expense	(311)	(598)	(48.0)
Profit for the financial period, representing profit attributable to owners of the Company	1,801	2,637	(31.7)
Other comprehensive income, net of tax			
Foreign currency translation reserves - foreign operations, net of tax of \$Nil	(471)	(195)	
Other comprehensive income for the financial period, net of tax	(471)	(195)	141.5
Total comprehensive income for the financial period	1,330	2,442	

Note :

Profit before tax has been arrived at after charging/(crediting):
 Depreciation and amortisation
 (Reversal write-down)/Write-off on inventories
 Allowance for impairment of third party trade receivables
 Foreign exchange gain - net

	6 months ended	
	30 Jun 20	30 Jun 19
	S\$'000	S\$'000
	451	389
	(68)	48
	73	-
	(25)	(52)

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 20 S\$'000	Group 31 Dec 19 S\$'000	Company 30 Jun 20 S\$'000	Company 31 Dec 19 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	17,873	17,927	3,807	2,552
Trade and other receivables	11,028	9,921	5,338	6,437
Prepayments	429	307	2	7
Inventories	17,020	15,665	-	-
	46,350	43,820	9,147	8,996
Non-current assets				
Subsidiaries	-	-	23,204	23,204
Property, plant and equipment	5,723	6,149	258	298
Intangible assets	22	25	22	25
Deferred tax assets	438	353	-	-
	6,183	6,527	23,484	23,527
Total assets	52,533	50,347	32,631	32,523
LIABILITIES				
Current liabilities				
Trade and other payables	10,343	9,048	169	201
Current tax liabilities	1,084	845	1	2
Provision for warranty	134	132	-	-
Borrowings	-	328	-	-
Lease liabilities	579	679	79	76
	12,140	11,032	249	279
Non-current liabilities				
Retirement benefit obligations	972	985	-	-
Lease liabilities	3,328	3,567	178	218
	4,300	4,552	178	218
Total liabilities	16,440	15,584	427	497
NET ASSETS	36,093	34,763	32,204	32,026
EQUITY				
Capital and reserves attributable to				
Company's equity holders				
Share capital	149,642	149,642	149,642	149,642
Other reserves	16,392	16,863	18,650	18,650
Accumulated losses	(129,941)	(131,742)	(136,088)	(136,266)
	36,093	34,763	32,204	32,026

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 30/06/2020		As at 31/12/2019	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	328	-

(b) Amount repayable after one year

As at 30/06/2020		As at 31/12/2019	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

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

	6 months ended 30 Jun 20 S\$'000	6 months ended 30 Jun 19 S\$'000
Cash flows from operating activities		
Profit for the financial period	1,801	2,636
Adjustments for:		
Income tax expense	311	598
Depreciation and amortisation	451	389
Retirement benefit plan expense	112	105
Interest expenses	51	56
Interest income	(26)	(17)
(Reversal write-down)/Write-off on inventories	(68)	48
Allowance for impairment of third party trade receivables	73	-
Provision made for warranty	-	(5)
Net foreign exchange loss/(gain)	163	(38)
Operating profit before working capital changes	<u>2,868</u>	<u>3,772</u>
Changes in operating assets and liabilities		
Inventories	(1,379)	(644)
Trade and other receivables	(1,861)	(1,041)
Prepayments	256	(291)
Trade and other payables	1,357	1,247
Provision for warranty	-	5
Cash generated from operations	<u>1,241</u>	<u>3,048</u>
Interest received	26	17
Income tax paid	(45)	(25)
Retirement benefit contribution paid	(112)	(105)
Net cash from operating activities	<u>1,110</u>	<u>2,935</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(43)	(8)
Net cash used in investing activities	<u>(43)</u>	<u>(8)</u>
Cash flows from financing activities		
Repayment of finance lease	(5)	(2)
Dividends paid	-	(709)
Interest paid	-	(34)
Lease rental paid	(390)	(334)
Net cash used in financing activities	<u>(395)</u>	<u>(1,079)</u>
Net increase in cash and cash equivalents	672	1,849
Beginning of financial period	17,602	15,392
Effects of exchange rate changes on cash and cash equivalents	(401)	(242)
End of financial period (Note A)	<u>17,873</u>	<u>16,998</u>
Note A:	30 Jun 20	30 Jun 19
Cash and cash equivalents consist of:	S\$'000	S\$'000
Cash and bank balance	17,873	18,206
Less: Bank overdrafts	-	(1,208)
	<u>17,873</u>	<u>16,998</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 2020	149,642	18,650	(1,787)	(131,742)	34,763
Total comprehensive income for the financial period	-	-	-	1,801	1,801
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	(471)	-	(471)
Balance at 30 June 2020	<u>149,642</u>	<u>18,650</u>	<u>(2,258)</u>	<u>(129,941)</u>	<u>36,093</u>
Balance at 1 January 2019	149,642	18,650	(2,209)	(134,656)	31,427
Total comprehensive income for the financial period	-	-	-	2,637	2,637
Dividends Paid	-	-	-	(709)	(709)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	(195)	-	(195)
Balance at 30 June 2019	<u>149,642</u>	<u>18,650</u>	<u>(2,404)</u>	<u>(132,728)</u>	<u>33,160</u>

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 2020	149,642	18,650	(136,266)	32,026
Total comprehensive income for the financial period	-	-	178	178
Balance at 30 June 2020	<u>149,642</u>	<u>18,650</u>	<u>(136,088)</u>	<u>32,204</u>
Balance at 1 January 2019	149,642	18,650	(137,888)	30,404
Total comprehensive income for the financial period	-	-	27	27
Dividends Paid	-	-	(709)	(709)
Balance at 30 June 2019	<u>149,642</u>	<u>18,650</u>	<u>(138,570)</u>	<u>29,722</u>

- 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 2020 (31 December 2019 : NIL).

- (d)(ii) **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 2020, the Company has issued ordinary shares of 35,458,818 (2019: 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 2019.

- 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 applied the recognition and measurement principles of a number of new standards and amendments to standards for the financial period beginning 1 January 2020.

The adoption of these amendments did not have any material impact on the current or prior period.

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	
6 months ended	
30 Jun 20	30 Jun 19
Cents	Cents
5.08	7.44
5.08	7.44

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 20	31 Dec 19	30 Jun 20	31 Dec 19
Cents	Cents	Cents	Cents
101.8	98.0	90.8	90.3
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 6 months ended 30 June 2020 ("2020")

Cumulative sales for 6 months in 2020 is S\$22.4 million, decrease by 6.5% as compared to the corresponding preceding 2019 sales of S\$24.0 million. This is mainly due to sales decrease in United States market, Canada market and Asia Pacific market, which affected by the COVID-19 pandemic. Gross profit in 2020 is much lower as compared to 2019, resulted from the higher sales for lower margin products to gain additional market shares.

Cumulative overall expenses for 6 months in 2020 slightly decrease by 0.6% to S\$5.2 million as compared to S\$5.3 million in 2019. The distribution and marketing expenses decrease by 3.1% as compared to 2019, mainly due to decrease in sales commission and transportation costs, resulted from sales decrease in BC North America. On the other hand, others expenses in 2020 is much higher as compared to 2019, mainly due to additional impairment on trade receivables and additional depreciation charge on right of use assets. Net finance income mainly relates to the foreign exchange gain from financing activities with off set again the finance costs on lease liabilities.

As a result of the above, profit before income tax decrease by 34.7% to S\$2.1 million and EBITDA (earnings before interest, tax, depreciation and amortisation) decrease to S\$2.5 million in 2020 from S\$3.6 million in 2019. Income tax expense in 2020 is much lower as compared to 2019, due to lower profit attributed by BCUK, hence lower corporate tax provided in 2020.

Statement of Financial Position

Net assets increased by 3.8% to S\$36.1 million as compared to year ended 2019's S\$34.8 million, after taking in the profit for the financial period of S\$1.8 million. However, the dividend of S\$0.7 million only paid in July 2020, subsequent to 30 June 2020 financial period ended. Current ratio remains at a healthy level of 3.8 as at 30 June 2020.

Inventories increased by 8.6% to S\$17.0 million from prior year of S\$15.7 million mainly caused by the lower sales in past few months which affected by COVID-19 pandemic. Trade and other receivables increased by 11.2% to S\$11.0 million from prior year of S\$9.9 million, resulted from slow collection from customers which caused by the COVID-19 pandemic. As at 30 June 2020, only 9% of overall trade receivables are past due more than 180 days and 7% of overall trade receivables are past due 91 – 180 days, after management has performed an assessment of the estimated the future cash flows of the debts and determined expected credit losses.

Current liabilities have increased by 10% to S\$12.1 million from S\$11.0 million prior year. The increase was mainly due to slow payment made to trade payables, which affected by the slow collection from customers. No drawdown of bank overdrafts for BC North America and resulted no borrowing as at 30 June 2020.

Statement of Cash Flows

Net cash generated from operating activities decreased to S\$1.1 million in Q2 2020 as compared to S\$2.9 million in Q2 2019, mainly due to lower profit contributed in current financial period and slow payment collection from customers in Q2 2020 as compared to Q2 2019.

Net cash used in financing activities are much lower in Q2 2020 as compared to Q2 2019. This is mainly due to delay in making dividend payment to July 2020 as compared to prior year, dividend paid in May 2020. The delay mainly due to circuit breaker and required to postpone the AGM to June 2020.

Net cash position stand at S\$17.9 million in Q2 2020, however, net cash position in Q2 2019 only S\$17.0 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 COVID-19 pandemic has dominated the global economies during the first half of fiscal year 2020. Brook Crompton Holdings Ltd and its subsidiaries' financial performance have expected been adversely impacted by the situation.

All Brook Crompton entities have been able to maintain full level operations throughout the pandemic, operating with COVID-19 secure policies and following the regulations and guidance in their respective countries of operation. The support of our employees and our customers through this global crisis has enabled us to minimise the impact on the business and looking forward, we plan prudently to control our costs and look for all opportunities to generate revenue.

The recent trend of growth in the North American business has halted, with the Canadian operation, thanks to its recent repositioning into segments such as water, faring more strongly than the US business which continues to suffer from the severe and well publicised impact of the pandemic on the wider US economy, particularly in the oil and gas segment.

The UK operation has been able to show growth through the first half of the year thanks to groundwork laid by the local management prior to the emergence of COVID-19, however the second half of the year will undoubtedly provide further challenges as the UK government support for our customers is phased out. The continued growth of the export business from the UK to the Middle East and Italy have given the opportunity to soften the local impact of COVID-19 on the UK operation.

In Asia Pacific, the severity of the impact of the pandemic and the resultant strict controls imposed by governments in Brook Crompton's core markets has had a negative impact on the distribution segment making up the majority of the business. The local team is focused on pursuing growth in these markets through the second half of the year.

As the world's markets open up with the easing of COVID-19 related restrictions, the Group finds itself in a positive position to move forward, with brand name recognition, a strong inventory position, and access to Group manufacturing sites globally. New and innovative products will be introduced to the market in the 2nd half of 2020 which allows the Group to enhance its offering to the market.

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 2020, as it is not the Group's usual practice to declare interim dividends. The dividend payment of S\$709,000 was the final dividend declared in respect of FY2019, which was approved at the Company's virtual AGM in June 2020 and was paid in July 2020.

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 2020	Q2 2019	Q2 2020	Q2 2019
	S\$'000	S\$'000	S\$'000	S\$'000
<u>General Transactions</u>				
Wolong Electric Group Co Ltd	-	-	4,054	6,897
Wolong Americas LLC	-	-	777	212
ATB Tamel S.A	-	-	6,469	5,907
ATB UK Group	-	-	131	235
ATB Schorch	-	-	572	-
ATB Motors BV	-	-	222	-
ATB Nordenham GmbH	-	-	197	-
ATB Welzheim	-	-	407	-
			12,828	13,251

14 Confirmation by Directors pursuant to Rule 705(5) of the SGX-ST Listing Manual

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 2020 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

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
Non-executive Chairman
Singapore, 11 Aug 2020