

Brook Crompton Holdings Ltd.  
 Unaudited First Half Year Financial Statement And Dividend Announcement  
 For The Six Months Ended 30 June 2023

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group		Change + / (-) %
		6 months ended		
		30 Jun 23 S\$'000	30 Jun 22 S\$'000	
Revenue		38,309	30,466	25.7
Cost of sales		(28,209)	(21,314)	32.3
<b>Gross profit</b>		<b>10,100</b>	9,152	10.4
Other income	6	466	387	20.4
Expenses:-	6			
- Distribution and marketing		(3,731)	(4,229)	(11.8)
- Administrative		(2,522)	(2,327)	8.4
- Net finance income/(expenses)		72	(22)	(427.3)
- Others		(313)	(427)	(26.7)
		<b>(6,494)</b>	(7,005)	(7.3)
<b>Profit before income tax</b>	6	<b>4,072</b>	2,534	60.7
Income tax expense	7	(836)	(725)	15.3
<b>Profit for the financial period representing profit attributable to owners of the Company</b>		<b>3,236</b>	1,809	78.9
<b>Profit for the financial period</b>		<b>3,236</b>	1,809	
<b>Other comprehensive income</b>				
<i>Items that are or may reclassified subsequent to profit or loss:</i>				
Exchange difference on translation of foreign operations net of tax		1,408	(382)	
<b>Other comprehensive income for the financial period, net of tax</b>		<b>1,408</b>	(382)	
<b>Total comprehensive income for the financial period, representing total comprehensive income attributable to owners of the Company</b>		<b>4,644</b>	1,427	
<b>Profit attributable to:-</b>				
Owners of the Company		3,236	1,809	
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		<b>4,644</b>	1,427	
<b>Earnings per share for profit for the period owners of the Company during the period:-</b>				
Basic (SGD in cent)		9.13	5.10	
Diluted (SGD in cent)		9.13	5.10	

**B. Condensed Interim Statements of Financial Position**

	Note	Group 30 Jun 23 S\$'000	Group 31 Dec 22 S\$'000	Company 30 Jun 23 S\$'000	Company 31 Dec 22 S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		17,757	13,312	3,016	2,950
Trade and other receivables		17,963	15,660	7,293	7,720
Prepayments		279	431	84	12
Inventories		25,268	26,285	-	-
<b>Total current assets</b>		<b>61,267</b>	<b>55,688</b>	<b>10,393</b>	<b>10,682</b>
<b>Non-current assets</b>					
Subsidiaries		-	-	19,137	19,137
Property, plant and equipment	9	5,293	4,712	11	53
Intangible assets		45	43	15	6
<b>Total non-current assets</b>		<b>5,338</b>	<b>4,755</b>	<b>19,163</b>	<b>19,196</b>
<b>Total assets</b>		<b>66,605</b>	<b>60,443</b>	<b>29,556</b>	<b>29,878</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		19,063	17,765	252	351
Current tax liabilities		1,214	865	-	-
Provision for warranty		-	10	-	-
Lease liabilities		610	568	7	52
<b>Total current liabilities</b>		<b>20,887</b>	<b>19,208</b>	<b>259</b>	<b>403</b>
<b>Non-current liabilities</b>					
Retirement benefit obligations		6	5	-	-
Lease liabilities		2,861	2,314	-	-
<b>Total non-current liabilities</b>		<b>2,867</b>	<b>2,319</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>23,754</b>	<b>21,527</b>	<b>259</b>	<b>403</b>
<b>NET ASSETS</b>		<b>42,851</b>	<b>38,916</b>	<b>29,297</b>	<b>29,475</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to Company's equity holders</b>					
Share capital	10	149,642	149,642	149,642	149,642
Other reserves		15,977	14,569	18,650	18,650
Accumulated losses		(122,768)	(125,295)	(138,995)	(138,817)
<b>Total equity</b>		<b>42,851</b>	<b>38,916</b>	<b>29,297</b>	<b>29,475</b>

C. Condensed Interim Statements of Changes in Equity

<u>The Group</u>	<u>Share Capital</u> S\$'000	<u>Capital Reserve</u> S\$'000	<u>Foreign Currency Translation Reserve</u> S\$'000	<u>Accumulated losses</u> S\$'000	<u>Total</u> S\$'000
<b>Balance at 1 January 2023</b>	149,642	18,650	(4,081)	(125,295)	38,916
Total comprehensive income for the financial	-	-	-	3,236	3,236
Dividend paid	-	-	-	(709)	(709)
<b>Other comprehensive income</b>					
Exchange differences on translation of foreign operations	-	-	1,408	-	1,408
<b>Balance at 30 June 2023</b>	<u>149,642</u>	<u>18,650</u>	<u>(2,673)</u>	<u>(122,768)</u>	<u>42,851</u>
<b>Balance at 1 January 2022</b>	149,642	18,650	(1,924)	(126,921)	39,447
Total comprehensive income for the financial	-	-	-	1,809	1,809
Dividend paid	-	-	-	(709)	(709)
<b>Other comprehensive income</b>					
Exchange differences on translation of foreign operations	-	-	(382)	-	(382)
<b>Balance at 30 June 2022</b>	<u>149,642</u>	<u>18,650</u>	<u>(2,306)</u>	<u>(125,821)</u>	<u>40,165</u>
<b><u>The Company</u></b>		<u>Share Capital</u> S\$'000	<u>Capital Reserve</u> S\$'000	<u>Accumulated losses</u> S\$'000	<u>Total</u> S\$'000
<b>Balance at 1 January 2023</b>		149,642	18,650	(138,817)	29,475
Total comprehensive income for the financial period		-	-	531	531
Dividend paid				(709)	(709)
<b>Balance at 30 June 2023</b>		<u>149,642</u>	<u>18,650</u>	<u>(138,995)</u>	<u>29,297</u>
<b>Balance at 1 January 2022</b>		149,642	18,650	(140,591)	27,701
Total comprehensive income for the financial period		-	-	264	264
Dividend paid		-	-	(709)	(709)
<b>Balance at 30 June 2022</b>		<u>149,642</u>	<u>18,650</u>	<u>(141,036)</u>	<u>27,256</u>

**D. Condensed Interim Consolidated Statement of Cash Flows**

	<b>The Group</b>	
	<b>6 months ended 30 Jun 23 S\$'000</b>	<b>6 months ended 30 Jun 22 S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit for the financial period	3,236	1,809
Adjustments for:		
Income tax expense	836	725
Depreciation and amortisation	538	408
Retirement benefit plan expense	105	73
Finance costs on lease liabilities	53	30
Finance income on lease receivables	-	(2)
Interest income	(126)	(6)
Reversal of impairment of trade receivables	(218)	(61)
Impairment of inventories	319	265
Inventories written off	93	-
Provision made for warranty	(11)	(5)
Net foreign exchange loss	749	199
Operating profit before working capital changes	<u>5,574</u>	<u>3,435</u>
Changes in operating assets and liabilities		
Inventories	1,339	(6,384)
Trade and other receivables	(1,415)	(3,844)
Prepayments	146	(210)
Trade and other payables	1,268	7,651
Provision for warranty	-	(14)
Cash generated from operations	<u>6,912</u>	<u>634</u>
Income tax paid	(568)	(701)
Retirement benefit contribution paid	(105)	(73)
<b>Net cash from/(used in) operating activities</b>	<u>6,238</u>	<u>(140)</u>
<b>Cash flows from investing activities</b>		
Interest received	126	8
Acquisition of property, plant and equipment	(74)	(154)
Acquisition of intangible assets	(13)	(45)
<b>Net cash from/(used in) investing activities</b>	<u>39</u>	<u>(191)</u>
<b>Cash flows from financing activities</b>		
Repayment of obligations under leases	(472)	(359)
Proceed from finance lease receivables	-	40
Dividends paid	(709)	(709)
Interest paid	(53)	(30)
<b>Net cash used in financing activities</b>	<u>(1,235)</u>	<u>(1,058)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>5,043</u>	<u>(1,389)</u>
<b>Beginning of financial period</b>	<u>13,312</u>	<u>21,233</u>
Effects of exchange rate changes on cash and cash equivalents	(597)	682
<b>End of financial period</b>	<u>17,757</u>	<u>20,526</u>

**E. Notes to the Condensed Interim Consolidated Financial Statements**

**1. Corporate information**

Brook Crompton Holdings Ltd. ("the Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group). The address of its registered office and principal place of business is 19 Keppel Road, #08-01 Jit Poh Building, Singapore 089058.

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are distribution of electric motors.

The immediate holding company is ATB Austria Antriebstechnik AG ("ATB"), incorporated in Austria. The ultimate holding company is Wolong Holding Group Co., Ltd. ("Wolong Holding"), incorporated in the People's Republic of China. The ultimate controlling party is Chen Jiancheng.

**2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee under ACRA. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

**2.1. New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Measurement of impairment of subsidiary
- Income tax amounts
- Assessment of allowance for obsolescence on inventories
- Assessment of expected credit loss allowance on trade receivables
- Measurement of lease liabilities

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

The Group's primary business is in the distribution of electric motors. Management manages and monitors the business from a geographical segment perspective. The following are the three main geographical segments for the Group:

- United Kingdom & Continental Europe
- North America
- Asia Pacific

These operating segments are reported in a manner consistent with internal reporting provided to Group's CEO, who is responsible for allocating resources and assessing performance of the operating segments.

#### 4.1. Reportable segments

	United Kingdom & Continental Europe S\$'000	North America S\$'000	Asia Pacific S\$'000	Corporate S\$'000	Consolidated S\$'000
<b>1 January 2023 to 30 June 2023</b>					
<u>Revenue</u>					
Total segment revenue	22,775	12,801	4,342	-	39,918
Inter-segment revenue	(50)	(1,559)	-	-	(1,609)
Revenue from external parties	22,725	11,242	4,342	-	38,309
<u>Other income</u>					
Administrative fee income	58	-	-	47	105
Management fee income	-	-	-	68	68
License fee income	210	-	-	-	210
Rental income	21	-	-	-	21
Miscellaneous income	43	18	-	1	62
Total other income	332	18	-	116	466
<b>Total revenue and other income</b>	<b>23,058</b>	<b>11,260</b>	<b>4,342</b>	<b>116</b>	<b>38,775</b>
Segment results	2,955	1,839	141	(203)	4,731
Interest income	90	15	-	21	126
Interest expense	(31)	(17)	(4)	(1)	(53)
Depreciation and amortisation	(354)	(103)	(36)	(45)	(538)
Reversal of impairment of third party trade receivables	218	-	-	-	218
Impairment on inventories	-	(319)	-	-	(319)
Inventories written off	-	(93)	-	-	(93)
Profit before taxation	2,878	1,321	101	(228)	4,072
Taxation	(583)	(253)	-	-	(836)
<b>Earnings for the interim period</b>	<b>2,295</b>	<b>1,068</b>	<b>101</b>	<b>(228)</b>	<b>3,236</b>
<b>Segment assets</b>	<b>33,617</b>	<b>23,288</b>	<b>6,260</b>	<b>3,440</b>	<b>66,605</b>
<b>Total assets per statement of financial position</b>	<b>33,617</b>	<b>23,288</b>	<b>6,260</b>	<b>3,440</b>	<b>66,605</b>
<b>Expenditures for segment non-current assets</b>					
- Additions to property, plant and equipment	59	15	-	-	74
- Additions to intangible assets	-	-	-	13	13
<b>Segment liabilities</b>	<b>11,343</b>	<b>8,700</b>	<b>2,318</b>	<b>179</b>	<b>22,540</b>
Current income tax liabilities	1,133	78	3	-	1,214
<b>Total liabilities per statement of financial position</b>	<b>12,476</b>	<b>8,778</b>	<b>2,321</b>	<b>179</b>	<b>23,754</b>

4.1. Reportable segments (Continued)	United Kingdom & Continental Europe S\$'000	North America S\$'000	Asia Pacific S\$'000	Corporate S\$'000	Consolidated S\$'000
<b>1 January 2022 to 30 June 2022</b>					
<u>Revenue</u>					
Total segment revenue	16,221	14,424	1,484	-	32,129
Inter-segment revenue	(24)	(1,639)	-	-	(1,663)
Revenue from external parties	16,197	12,785	1,484	-	30,466
<u>Other income</u>					
Administrative fee income	3	-	-	80	83
License fee income	208	-	-	-	208
Rental income	23	-	-	-	23
Miscellaneous income	63	8	-	2	73
Total other income	297	8	-	82	387
<b>Total revenue and other income</b>	<b>16,494</b>	<b>12,793</b>	<b>1,484</b>	<b>82</b>	<b>30,853</b>
Segment results	1,847	1,912	(174)	(294)	3,291
Interest income	6	2	-	-	8
Interest expense	(22)	(5)	-	(3)	(30)
Depreciation and amortisation	(234)	(126)	(3)	(46)	(409)
Reversal of impairment of third party trade receivables	(61)	-	-	-	(61)
Impairment of inventories	-	(265)	-	-	(265)
Profit before taxation	1,536	1,518	(177)	(343)	2,534
Taxation	(312)	(413)	-	-	(725)
<b>Earnings for the interim period</b>	<b>1,224</b>	<b>1,105</b>	<b>(177)</b>	<b>(343)</b>	<b>1,809</b>
<b>Segment assets</b>	<b>33,610</b>	<b>25,933</b>	<b>2,989</b>	<b>1,975</b>	<b>64,507</b>
<b>Total assets per statement of financial position</b>	<b>33,610</b>	<b>25,933</b>	<b>2,989</b>	<b>1,975</b>	<b>64,507</b>
<b>Expenditures for segment non-current assets</b>					
- Additions to property, plant and equipment	97	7	50	-	154
- Additions to intangible assets	45	-	-	-	45
<b>Segment liabilities</b>	<b>13,204</b>	<b>9,223</b>	<b>687</b>	<b>268</b>	<b>23,382</b>
Current income tax liabilities	689	269	3	-	961
<b>Total liabilities per statement of financial position</b>	<b>13,893</b>	<b>9,492</b>	<b>690</b>	<b>268</b>	<b>24,343</b>

4.2. Disaggregation of Revenue

	Group			
	6 months ended 30 June 2023			
	United Kingdom & Continental Europe S\$'000	North America S\$'000	Asia Pacific S\$'000	Total S\$'000
<u>Types of goods:</u>				
Electric motors	22,725	11,242	4,342	38,309
<u>Timing of transfer of goods:</u>				
Point in time	22,725	11,242	4,342	38,309

4.2. Disaggregation of Revenue (Continued)

	Group			
	6 months ended 30 June 2022			
	United Kingdom & Continental Europe	North America	Asia Pacific	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Types of goods:</u>				
Electric motors	16,197	12,785	1,484	30,466
<u>Timing of transfer of goods:</u>				
Point in time	16,197	12,785	1,484	30,466

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 June 2023 and 31 December 2022:

	The Group		The Company	
	30 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial Assets</b>				
Trade and other receivables	17,963	15,660	7,293	7,720
Cash and cash equivalents	17,757	13,312	3,016	2,950
<b>Financial assets at amortised costs</b>	<b>35,720</b>	<b>28,972</b>	<b>10,309</b>	<b>10,670</b>
<b>Financial Liabilities</b>				
Trade and other payables	(19,063)	(17,765)	(252)	(351)
Finance lease liabilities	(3,471)	(2,882)	(7)	(52)
<b>Financial liabilities at amortised costs</b>	<b>(22,534)</b>	<b>(20,647)</b>	<b>(259)</b>	<b>(403)</b>

Estimation of fair value

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting dates.

The fair values of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their carrying amounts because of the short period to maturity.

The fair value of non-current finance lease receivables approximates to its carrying amount as at financial period.

6. Profit before taxation

6.1. Significant items

(i) Other Income

	Group	
	30-Jun-23	30-Jun-22
	S\$'000	S\$'000
Administrative fee income	105	83
Management fee income	68	-
License fee income	210	208
Rental income	21	23
Miscellaneous income	62	73
	<b>466</b>	<b>387</b>

**6. Profit before taxation (Continued)**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30-Jun-23</b>	<b>30-Jun-22</b>
	S\$'000	S\$'000
<b>6.1. Significant items (Continued)</b>		
<b>(ii) Net finance (income)/expenses</b>		
Finance lease expenses	53	30
Finance income on placement of fixed deposits	(126)	(6)
Finance lease income	-	(2)
	<u>(126)</u>	<u>(8)</u>
Net finance (income)/expenses	<u>(73)</u>	<u>22</u>
<b>(iii) Expenses</b>		
Depreciation of property, plant and equipment	538	408
Impairment of inventories	319	265
Inventories written off	93	-
Reversal of impairment of third party trade receivables	(218)	(61)
Foreign exchange losses/(gain), net	77	(72)

**6.2. Related party transactions**

There are no material related party transactions apart from those disclosed in F - Other information required under Rule Appendix 7.2, Item 12 Interested Persons Transactions.

**7. Taxation**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30-Jun-23</b>	<b>30-Jun-22</b>
	S\$'000	
Current income tax expense	836	722
Deferred income tax expense relating to origination and reversal of temporary differences	-	3
	<u>836</u>	<u>725</u>

**8. Net Asset Value**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023</b>	<b>31 Dec 2022</b>	<b>30 June 2023</b>	<b>31 Dec 2022</b>
	SGD in Cents	SGD in Cents	SGD in Cents	SGD in Cents
<b>Net asset value per ordinary share</b>	<u>120.8</u>	<u>109.7</u>	<u>82.6</u>	<u>83.1</u>

**9. Property, plant and equipment**

During the six months ended 30 June 2023, the Group acquired assets amounting to S\$74,000 (30 June 2022: S\$154,000) and no disposal of assets in the financial period.

**10. Share Capital**

	<b>The Group and the Company</b>			
	<b>30 June 2023</b>		<b>31 December 2022</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
	'000	S\$'000	'000	S\$'000
Beginning and end of interim period	35,459	149,642	35,459	149,642

The Company did not hold any treasury shares as at 30 June 2023 and 31 December 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

**11. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

**F Other information required under Listing Rule Appendix 7.2**

1. (i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 share capital of the Company during the current financial period. There were no outstanding convertibles, shares held as treasury shares, or subsidiary holdings as at 30 June 2023 and 31 December 2022.

1. (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 2023 and 31 December 2022, the Company's issued ordinary shares were 35,458,818. The Company did not have any treasury shares as at 30 June 2023 and 31 December 2022.

1. (iii) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

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

3. Where the figures have been audited, whether there are any modifications, disclaimer of opinion, adverse opinion or emphasis of a matter (including material uncertainties on going concern). Also, where the figures have been audited or reviewed, whether the auditor's report is announced using the Financial Statements and Related Announcement template with appropriate subject sub-heading.

Not applicable

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: –

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern.

The Group's latest financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

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 annual financial statements for the year ended 31 December 2022 except for the changes in accounting policies as disclosed in Item 5 below.

**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 effect of, the change.**

There are no new standards and amendments that are effective for the annual period beginning 1 January 2023 nor any changes in the Group's accounting policies and methods of computation.

**6. Earnings per ordinary share of the group for the current financial 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

(ii) On a fully diluted basis ordinary shares in issue

Group	
6 months ended	
30 Jun 23 SGD in Cents	30 Jun 22 SGD in Cents
9.13	5.10
9.13	5.10

**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 financial 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 June 2023	31 Dec 2022	30 June 2023	31 Dec 2022
SGD Cents	SGD Cents	SGD Cents	SGD Cents
120.8	109.7	82.6	83.1
35,458,818	35,458,818	35,458,818	35,458,818

## 8. Review or performance of the Group

### Condensed Interim Consolidated Statement of Profit or Loss

#### Group Performance for 6 months ended 30 June 2023 ("2023")

Cumulative sales for 6 months in 2023 is S\$38.3 million, increase by 25.7% as compared to the corresponding preceding 2022 sales of S\$30.5 million. This is mainly due to sales increase in United Kingdom and Continental Europe, as some project orders received in last year, the delivery was delayed until first half of 2023 and resulted sudden increase in sales in 2023. Besides, sales in new regions like Australia and Italy also picking up as compared to prior year, as both regions are just started operation in 2022. However, gross profit in 2023 is slightly lower as compared to 2022, resulted from the lower sales margin contributed from project business.

Other income for 6 months in 2023 is much higher as compared to 2022 mainly due higher administrative fee income reimbursed from related companies for cost sharing and management fee charged to related companies for business development in new region.

Cumulative overall expenses for 6 months in 2023 decrease by 7.3% to S\$6.5 million as compared to S\$7.0 million in 2022. The distribution and marketing expenses are decreased as compared to 2022, mainly due to reduction of transportation costs, as global supply chains have returned to normal. Besides, lower sales commission in Brook Crompton North America, due to reversal of excess accrued sales commission made in prior year. The administrative expense is increased mainly due to additional consultancy fee and legal fee incurred during the financial period for adoption of interested person transaction general mandate. The other expense is much lower as compared to 2022 as higher reversal of impairment of third party trade receivables in current financial period.

Net finance income position in 2023 as compared to 2022 which is net finance expenses position. This is mainly due to higher finance income derived from placement of fixed deposits, as compared to finance lease expenses recognised during the financial period.

As a result of the above, profit before income tax increase by 60.7% to S\$4.1 million and EBITDA (earnings before interest, tax, depreciation and amortisation) increase to S\$4.5 million in 2023 from S\$2.9 million in 2022. The increase in profit before tax and EBITDA mainly due to increase in sales contribution and reduction of operating costs during the financial period. Income tax expense in 2023 is much higher as compared to 2022, due to higher tax provisional for profitable companies in the Group.

### Condensed Interim Statement of Financial Position

Slight increase in net assets to S\$42.9 million as compared to year ended 2022's S\$38.9 million, after taking in the profit and other comprehensive income for the financial period of S\$3.2 million. Current ratio maintained in health position of 2.9.

Increase in property, plant and equipment mainly relates to recognised right-of-use assets in current financial period for the new leases entered.

Trade and other receivables increased by 14.7% to S\$17.9 million from prior year of S\$15.7 million, resulted from sales picking up in last few months of the financial period. As at 30 June 2023, only 4% of overall trade receivables are past due more than 180 days and 2% 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.

Inventories decreased by 3.9% to S\$25.3 million from S\$26.3 million as at 30 June 2023, the decrease mainly due to sales picking up in last few months. Besides, due to expired of Interested Person Transactions ("IPT") General Mandate on 24 April 2023, the Group has to stop trading with our existing suppliers, which are interested person of the Company, no stocks replenishment subsequent to 24 April 2023.

**Condensed Interim Statement of Financial Position (continued)**

Total liabilities have increased by 10.3% mainly due to increase of current liabilities from S\$19.2 million prior year to S\$20.9 million as at 30 June 2023. The increase mainly due increased in trade payables, resulted from slow payment made to suppliers, due to longer shipment time from Factory, most of the goods shipped by factory have yet to be received and unable to settle the payment to suppliers. These are mainly relate to sales orders under ex-works incoterms. Overdue invoices that relate to goods in transits have yet to be settled. At the same time, higher provisional tax liabilities as at 30 June 2023, due to additional tax provisional needed for profitable companies in the Group. Non-current liabilities have increased by 23.6% mainly due to additional new leases entered and lease liabilities recognised during the financial period.

**Condensed Interim Consolidated Statement of Cash Flows**

Net cash generated from operating activities is S\$6.2 million in 6 months ended, 30 June 2023 as compared to net cash used in operating activities of S\$0.1 million in 6 months ended, 30 June 2022. This is mainly due to improvement in stocks management with sales picking up in last few months and better collection from customers. Besides, slow payment made to suppliers due to longer shipment time from Factory. most of the goods shipped by factory have yet to be received and unable settle payment yet.

Net cash from investing activities in 6 months ended, 30 June 2023 mainly resulted from interest income derived from placement of fixed deposits. However, in prior year is net cash used in investing activities position due to more acquisition of property, plant and equipment in new region in 2022.

Net cash used in financing activities in months ended, 30 June 2023 is much higher as compared to prior year, mainly due to additional repayment of obligations under leases in current financial period for new leases entered.

Net cash position stand at S\$17.8 million as at 30 June 2023 and net cash position as at 30 June 2022 is S\$20.5 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 significant trends and 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 continued with strong revenue growth by 25.7% against the same period in previous year. Gross profit increased by 10.4 % accordingly, the growth has also contributed towards a strong net profit by 78.9% which included some extraordinary payments in the net profit for the period attributable to the owners of the company. Part of the revenue increase was due to project orders received last year which delivery was delayed and now contributed towards the end result and strong revenue in first half of the year especially in United Kingdom. Main growth regions continue to be covered by the United Kingdom, Canadian and the newly set business in Australia which has continued getting established in the region with now number of new customers in the market and distribution network delivering and servicing mainly mining HVAC and general industry. The European GDP growth and demand has contracted over the last 6 months. This trend is also reflected in our reduced business revenue in Italy. Customers had built up inventories over the covid period which they have been using since the covid restrictions have been fully lifted around the globe.

Over the year we have seen drop in the raw material costs and transport costs, yet the high inflation and energy costs increases has forced suppliers to keep already increased or increase prices further.

We continue to stay vigilant in regard to geopolitical situation around the globe. We do expect potential slow down in orders and revenue in the second half of the year for the business due to market and geopolitical situation especially in Europe. Fiscal policies are now changing from emergency support towards fiscal stability. Resent political global events are driving many organizations to develop a digitalization strategy to overcome distribution and supply chain disruptions, political instability and geopolitical strains. Many clients are investing in digital technologies/ digital twin of product, production process, sales process, digital factories – fast to market is the main theme for many of our customers.

**10. A commentary at the date of the announcement of the significant trends and 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 (continued).**

We continue to stay vigilant in regard to geopolitical situation around the globe. Fiscal policies are now changing from emergency support towards fiscal stability. Recent political global events are driving many organizations to develop a digitalization strategy to overcome distribution and supply chain disruptions, political instability and geopolitical strains. Many clients are investing in digital technologies/ digital twin of product, production process, sales process, digital factories – fast to market is the main theme for many of our customers.

As we move into the 2nd half of 2023, we continue to explore opportunities with existing and new customers, new ways of reaching out to our customers as well as offering new energy efficient solutions and technologies. Sustainability is a core business driver/strategy for many organizations, many countries are accelerating the phase out of coal and exploring opportunities in new energy/hydrogen and tapping into renewable investments. The Group believes that it has a diverse enough supply chain to continue to manage any emerging scenarios.

The Group looks forward to profitable growth in the second half of 2023 and would like to take the opportunity, to send its thanks to the shareholders, employees and Directors for their support provided over the first half and looks forward to the second half of the year.

**11. Dividend information**

**(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.

**(e) If no dividend has been declared / recommended, a statement to that effect**

No dividends are proposed for the period ended 30 June 2023, as it is not the Group's usual practice to declare interim dividends.

**12. Interested Persons Transactions**

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	Nature of Relationship	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)	
		6 months ended 30 Jun 23 S\$'000	6 months ended 30 Jun 22 S\$'000	6 months ended 30 Jun 23 S\$'000	6 months ended 30 Jun 22 S\$'000
<u>Purchase transactions</u>					
Wolong Electric Group Co Ltd	Associates of Controlling shareholder	312	-	2,155	2,295
Wolong Electric (Vietnam) Company Limited		100	-	2,566	5,352
Wolong Americas LLC		-	-	718	239
ATB Tamel S.A		624	-	5,835	5,774
ATB UK Group		-	-	110	140
ATB Schorch		155	-	5,213	-
ATB Nordenham GmbH		497	-	301	441
ATB Welzheim		-	-	479	444
AT Sever A.D.		-	-	129	429
<u>Sales transactions</u>					
Wolong EMEA Germany GmbH		-	-	(357)	-
		1,688	-	17,150	15,114

**13. 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.

**14. Negative Assurance Confirmation on interim financial statements pursuant to Appendix 7.2 under Rule 705(5) of the Listing Manual of the SGX-ST.**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Pang Xinyuan**  
Director  
**By Order of the Board**

**Chao Mun Leong**  
Director

Pang Xinyuan  
Director  
Singapore, 10 Aug 2023