

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

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

Income statements for the 9 months ended 30 September 2019:

	Group					
	3 months ended		Change + / (-)	9 months ended		Change + / (-)
	30 Sep 19	30-Sep-18		30 Sep 19	30-Sep-18	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations						
Sales	12,252	12,325	(0.6)	36,247	36,002	0.7
Cost of sales	(8,741)	(8,356)	4.6	(24,614)	(24,346)	1.1
Gross profit	3,511	3,969	(11.5)	11,633	11,656	(0.2)
Other income	455	360	26.4	846	795	6.4
Expenses						
- Distribution and marketing	(1,139)	(1,398)	(18.5)	(4,283)	(4,508)	(5.0)
- Administrative	(1,167)	(1,015)	15.0	(2,910)	(3,915)	(25.7)
- Finance income	18	98	(81.6)	18	7	NA
- Others	(216)	(140)	54.3	(607)	(225)	169.8
	(2,504)	(2,455)	2.0	(7,782)	(8,641)	(9.9)
Profit before income tax (Note)	1,462	1,874	(22.0)	4,697	3,810	23.3
Income tax expense	50	(172)	(129.1)	(548)	(779)	(29.7)
Profit for the financial period, representing profit attributable to owners of the Company	1,512	1,702	(11.2)	4,149	3,031	36.9
Other comprehensive income, net of tax						
Foreign currency translation reserves - foreign operations, net of tax of \$Nil	(45)	100		(240)	(104)	
Other comprehensive income for the financial period, net of tax	(45)	100	NM	(240)	(104)	NM
Total comprehensive income for the financial period	1,467	1,802		3,909	2,927	

Note :

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

Amortisation and depreciation	193	42	582	125
Allowance for impairment of third party trade receivables	1	2	1	15
(Reversal of impairment)/Impairment loss on inventories	118	(34)	166	1
Foreign exchange (gain)/loss - net	(274)	(206)	(326)	(112)

3 months ended		9 months ended	
30 Sep 19	30-Sep-18	30 Sep 19	30-Sep-18
S\$'000	S\$'000	S\$'000	S\$'000
193	42	582	125
1	2	1	15
118	(34)	166	1
(274)	(206)	(326)	(112)

NM: Not meaningful

Brook Crompton Holdings Ltd.
Unaudited Third Quarter Financial Statements

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

	Group 30 Sep 19 S\$'000	Group 31 Dec 18 S\$'000	Company 30 Sep 19 S\$'000	Company 31 Dec 18 S\$'000
ASSETS				
Current assets				
Cash and bank balance	18,135	16,469	2,617	1,966
Trade and other receivables	11,006	9,286	4,277	6,781
Prepayments	1,156	889	24	2
Inventories	16,475	14,375	-	-
	46,772	41,019	6,918	8,749
Non-current assets				
Subsidiaries	-	-	23,204	21,814
Property, plant and equipment	4,670	2,002	390	8
Deferred tax assets	319	314	-	-
	4,989	2,316	23,594	21,822
Total assets	51,761	43,335	30,512	30,571
LIABILITIES				
Current liabilities				
Trade and other payables	12,167	9,461	217	164
Current tax liabilities	1,169	673	1	3
Provision for warranty	107	104	-	-
Lease liabilities	628	-	100	-
Borrowings	391	1,083	-	-
	14,462	11,321	318	167
Non-current liabilities				
Lease liabilities	2,061	-	283	-
Borrowings	-	2	-	-
Retirement benefit obligations	609	583	-	-
Deferred tax liabilities	2	2	-	-
	2,672	587	283	-
Total liabilities	17,134	11,908	601	167
NET ASSETS	34,627	31,427	29,911	30,404
EQUITY				
Capital and reserves attributable to Company's equity holders				
Share capital	149,642	149,642	149,642	149,642
Other reserves	16,201	16,441	18,650	18,650
Accumulated losses	(131,216)	(134,656)	(138,381)	(137,888)
	34,627	31,427	29,911	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 30/09/2019		As at 31/12/2018	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
391	-	1,083	-

(b) Amount repayable after one year

As at 30/09/2019		As at 31/12/2018	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	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.

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Unaudited Third Quarter Financial Statements

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

	3 months ended 30 Sep 19 S\$'000	3 months ended 30-Sep-18 S\$'000	9 months ended 30 Sep 19 S\$'000	9 months ended 30-Sep-18 S\$'000
Cash flows from operating activities				
Profit for the financial period	1,512	1,702	4,149	3,031
Adjustments for:				
Income tax (credit)/expense	(50)	172	548	779
Depreciation and amortisation	193	42	582	125
Retirement benefit plan expense	49	63	154	167
Interest expenses	23	21	79	62
Interest income	(9)	(2)	(26)	(4)
Impairment loss/(Reversal of impairment on inventories)	117	(34)	166	1
Impairment losses on trade and other debtors	1	2	1	15
Provision made for warranty	(4)	(2)	(9)	2
Deconsolidation of a subsidiary	-	95	-	95
Net change in fair value of derivatives	-	(24)	-	2
Net foreign exchange gain	14	(82)	(24)	(7)
Operating profit before working capital changes	1,846	1,953	5,620	4,268
Changes in operating assets and liabilities				
Inventories	(1,345)	(1,988)	(1,989)	(722)
Trade and other receivables	(671)	(2,714)	(1,712)	(3,216)
Prepayments	5	442	(286)	(235)
Trade and other payables	1,221	3,964	2,468	3,872
Provision for warranty	4	2	9	(2)
Retirement benefit contribution paid	(49)	(63)	(154)	(167)
Cash generated from operations	1,011	1,596	3,956	3,798
Interest received	9	2	26	4
Income tax paid	(7)	14	(32)	(21)
Net cash from operating activities	1,013	1,612	3,950	3,781
Cash flows from investing activity				
Acquisition of property, plant and equipment	(15)	(22)	(23)	(50)
Net cash used in investing activity	(15)	(22)	(23)	(50)
Cash flows from financing activities				
Repayment of finance lease	(3)	-	(5)	(2)
Dividends paid	-	-	(709)	(1,773)
Interest paid	(12)	(21)	(46)	(62)
Lease rental paid	(167)	-	(500)	-
Net cash used in financing activities	(182)	(21)	(1,260)	(1,837)
Net increase in cash and cash equivalents	816	1,569	2,667	1,894
Beginning of financial period	16,998	13,251	15,392	12,956
Effects of exchange rate changes on cash and cash equivalents	(67)	(98)	(312)	(128)
End of financial period (Note A)	17,747	14,722	17,747	14,722

Note A:	30 Sep 19 S\$'000	30-Sep-18 S\$'000	30 Sep 19 S\$'000	30-Sep-18 S\$'000
Cash and cash equivalents consist of:				
Cash and bank balance	18,135	16,349	18,135	16,349
Less: Bank overdrafts	(388)	(1,627)	(388)	(1,627)
	17,747	14,722	17,747	14,722

- 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
Total comprehensive income for the financial period	-	-	(45)	1,512	1,467
Balance at 30 September 2019	149,642	18,650	(2,449)	(131,216)	34,627
Balance at 1 January 2018	149,642	18,650	(1,473)	(136,632)	30,187
Total comprehensive income for the financial period	-	-	218	447	665
Balance at 31 March 2018	149,642	18,650	(1,255)	(136,185)	30,852
Dividends Paid	-	-	-	(1,773)	(1,773)
Total comprehensive income for the financial period	-	-	(422)	882	460
Balance at 30 June 2018	149,642	18,650	(1,677)	(137,076)	29,539
Total comprehensive income for the financial period	-	-	100	1,702	1,802
Balance at 30 September 2018	149,642	18,650	(1,577)	(135,374)	31,341

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
Total comprehensive income for the financial period	-	-	189	189
Balance at 30 September 2019	149,642	18,650	(138,381)	29,911
Balance at 1 January 2018	149,642	18,650	(138,938)	29,354
Total comprehensive income for the financial period	-	-	(62)	(62)
Balance at 31 March 2018	149,642	18,650	(139,000)	29,292
Dividends Paid	-	-	(1,773)	(1,773)
Total comprehensive income for the financial period	-	-	158	158
Balance at 30 June 2018	149,642	18,650	(140,615)	27,677
Total comprehensive income for the financial period	-	-	86	86
Balance at 30 September 2018	149,642	18,650	(140,529)	27,763

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

There were no outstanding warrants as at 30 September 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 September 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.

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

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

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

(ii) On a fully diluted basis
- continuing operations

Group		Group	
3 months ended		9 months ended	
30 Sep 19	30-Sep-18	30 Sep 19	30-Sep-18
Cents	Cents	Cents	Cents
4.26	4.80	11.70	8.55
4.26	4.80	11.70	8.55

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

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

Number of existing issued shares at end of period/year

Group		Company	
30 Sep 19	31 Dec 18	30 Sep 19	31 Dec 18
Cents	Cents	Cents	Cents
97.7	88.6	84.4	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 September 2019 ("Q3 2019")

For the three months ended 30 September 2019 ('Q3 2019'), Brook Crompton Holdings Ltd and its subsidiaries ('the Group') achieved sales of S\$12.25 million, a slight decrease of 0.6% compared with the corresponding preceding quarter ('Q3 2018') sales of S\$12.33 million. The slight decrease is due to low season sales in BCUSA in month of Aug 2019 and Sept 2019.

Gross margin in Q3 2019 is much lower as compared to Q3 2018 mainly due to lower margin contributed by BCUK and BCCAN. Higher other income in Q3 2019 mainly due to higher foreign exchange gain from operating activities. Lower finance income in Q3 2019 mainly due to lower foreign exchange gain from financing activities.

Profit before income tax decreased by 22.0% to S\$1.46 million from Q3 2018's S\$1.87 million. This is mainly due to lower gross margin contributed in Q3 2019.

Group Performance for 9 months ended 30 September 2019 ("2019")

Cumulative sales for the current 9 months is S\$36.25 million, slight increase of 0.7% as compared with the corresponding preceding nine months period ("2018") sales of S\$36.00 million. This is mainly due to bulk orders from an original equipment manufacturer (OEM) customer in BC Canada. At the same time, distribution business sales in BCUK was picking up in Q3 2019. The gross profit in 2019 remains consistent as compared to 2018.

Cumulative expenses for the current 9 months decreased by 9.9% to S\$7.78 million compared to S\$8.64 million in 2018. This is mainly due to lower administrative expenses in 2019 as compared to 2018. In 2018, there was one off severance payment to the employees. However, no such costs incurred in 2019. Other expenses in 2019 is much higher as compared to 2018 mainly due to adoption of SFRS (1) 16 leases and additional depreciation charge on right of use assets. The finance income in 2019 is slightly higher as compared to 2018, mainly due to higher foreign exchange gain from financing activities.

As a result of the above, the profit before income tax increased by 23.3% to S\$4.70 million and EBITDA (earnings before interest, tax, depreciation and amortisation) increased from S\$3.68 million in 2018 to S\$4.10 million in 2019.

Statement of Financial Position

Net Assets increased by 10.2% to \$34.63 million after taking in the net profit for the period of \$4.15 million and dividend payout of \$0.70 million. Current ratio remains at a healthy level of 3.2 in Sep 2019 as compared to 3.6 in Dec 2018.

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 Sept 2019. Trade and other receivables increased from \$9.29 million in Dec 2018 to \$11.01 million in Sep 2019, due to higher sales in past months and slow payment made by customers. Inventories increased by 14.6% as compared to Dec 2018 mainly due to additional stocks replenishment to meet the customers demand and sales budget in United States and Canada markets.

Total liabilities have increased by 43.9% to \$17.13 million from \$11.91 million prior year. The increases are due to slow payment made to trade payables and adoption of SFRS(I) 16 leases, lease liabilities has been recognised as at 30 Sept 2019.

Statement of Cash Flows

Slight increase in net cash generated from operating activities from S\$3.78 million in 2018 to S\$3.95 million in 2019, mainly due to slow payment made to suppliers. Net cash used in financing activities decreased to S\$1.26 million in 2019 as compared to S\$1.84 million in 2018. This is mainly due to the lower dividend payout made to shareholders in 2019. Net cash position stand at S\$17.75 million in 2019. As of 2018, the net cash position is only S\$14.72 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.

North American business is maintaining the trend of growth with product diversification and target to grow the industry segments.

With the extension of the Brexit process, ongoing risk remains in its core UK market, UK operation is more focusing on the development of the wider EMEA market, having historical strong installed bases in the Middle East region, and a well respected reputation in the core OEM markets which feed that market. Despite this uncertainty, and a shrinking UK market, the UK operation has secured new business in its' home market to maintain revenue performance.

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 September 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	
	Q3 2019 S\$'000	Q3 2018 S\$'000	Q3 2019 S\$'000	Q3 2018 S\$'000
General Transactions				
Wolong Electric Group Co Ltd	-	-	10,340	8,887
Wolong Americas LLC	-	-	102	-
Wolong Electric Americas LLC	-	-	147	-
ATB Nordenham GmbH	-	-	390	163
ATB Sever d.o.o.	-	-	148	623
ATB Tamel S.A	-	-	8,463	8,227
ATB UK Group	-	-	341	325
ATB Schorch GmbH	-	-	457	2,853
ATB Welzheim	-	-	691	-
			21,080	21,078

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 September 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, 7 Nov 2019