Letter to Shareholders

Directors:
Mr Pang Xinyuan
Dr Knut Unger
Mr Chao Mun Leong

Registered Office:
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Singapore 089058

To: The Shareholders of Brook Crompton Holdings Ltd.

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR TRANSACTIONS WITH INTERESTED PERSONS OF THE COMPANY (THE GENERAL MANDATE)

1. BACKGROUND

We refer to (a) the Notice of the Annual General Meeting ("2023 AGM") of Brook Crompton Holdings Ltd. (the "Company") dated 06 April 2023 (the "Notice of AGM") accompanying the Annual Report of the Company for the financial year ended 31 December 2022 (the "2022 Annual Report") in relation to the convening of the 2023 AGM of the Company which is scheduled to be held on 24 April 2023, and (b) Ordinary Resolution 6 in relation to the renewal of the General Mandate under the heading "Special Business" set out in the Notice of the 2023 AGM.

2. THE PROPOSED RENEWAL OF THE GENERAL MANDATE

2.1 The Existing General Mandate

At the General Meeting held on 28 April 2022 (the "AGM"), shareholders of the Company ("Shareholders") approved the renewal of the General Mandate to enable the Company, its subsidiaries and associated companies to enter into any transactions falling within the categories of ATB Interested Person Transactions described in the Company's circular to Shareholders dated 29 November 2006.

2.2 Proposed Renewal of the General Mandate

The General Mandate was expressed to continue to be in force until the conclusion of the next Annual General Meeting of the Company, being the forthcoming 2023 AGM. Accordingly, the directors of the Company (the "Directors") propose that the General Mandate be renewed at the forthcoming 2022 AGM. The particulars of the interested person transactions in respect of which the General Mandate is sought to be renewed remained unchanged.

2.3 Details of the General Mandate

Details of the General Mandate, including the rationale for and the benefits to the Company, the review procedures for determining transaction prices with interested persons and other general information in relation to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), are set out in the Appendix to this letter.

2.4 Confirmation of Audit Committee

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee of the Company confirms that:

(a) the methods or procedure for determining the transaction prices under the General Mandate have not changed subsequent to the 2023 AGM; and

(b) the methods or procedure referred to paragraph 2.4(a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

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3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 The interest of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	No. of Shares	%[1]	No. of Shares	%[1]
Directors	10,000	0.03	–	–
Knut Unger	–	–	23,439,519[11]	66.10
Pang Xinyuan	–	–	–	–
Chao Mun Leong				
Substantial Shareholders	–	–		
ATB Austria Antriebstechnik AG	–	–	23,439,519[2]	66.10
Wolong Investments Gmbh	–	–	23,439,519[3]	66.10
Wolong Holding Group Gmbh	–	–	23,439,519[4]	66.10
Hongkong Wolong Holding Group Co Ltd	–	–	23,439,519[5]	66.10
Wolong Electric Group Co Ltd	–	–	23,439,519[6]	66.10
Zhejiang Wolong Shunyu Investment Co. Ltd	–	–	23,439,519[7]	66.10
Wolong Holding Group Co Ltd	–	–	23,439,519[8]	66.10
Chen Jiancheng	–	–	23,439,519[9]	66.10
Chen Yanni	–	–	23,439,519[10]	66.10

(1) The percentage shareholding interest is based on the issued share capital of 35,458,818 shares as at the Latest Practicable Date.

(2) ATB Austria Antriebstechnik AG ("ATB") is deemed to be interested in the 23,439,519 ordinary shares held under the name of nominee – CGS-CIMB Securities (Singapore) Pte. Ltd.

(3) Wolong Investments Gmbh ("Wolong Investments") holds 100% shares in ATB and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Companies Act 1967 ("the Act").

(4) Wolong Holding Group Gmbh ("Wolong Holding") is the sole shareholder of Wolong Investments and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(5) Hongkong Wolong Holding Group Co Ltd ("Hongkong Wolong") is the sole shareholder of Wolong Holding and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(6) Wolong Electric Group Co Ltd ("Wolong Electric") is the sole shareholder of Hongkong Wolong and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(7) Zhejiang Wolong Shunyu Investment Co. Ltd ("Zhejiang Wolong Shunyu") holds 32.15% shares in Wolong Electric and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(8) Wolong Holding Group Co Ltd ("WHGCL") is the sole shareholder of Zhejiang Wolong Shunyu and holds 4.69% shares in Wolong Electric, and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(9) Chen Jiancheng holds 48.93% equity interest in WHGCL and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(10) Chen Yanni holds 38.73% equity interest in WHGCL and is therefore deemed to be interested in the shares held by ATB by virtue of Section 7(4) of the Act.

(11) Pang Xinyuan is spouse of Chen Yanni and son-in-law of Chen JianCheng, and is therefore deemed to be interested in the shares held by ATB by virtue of Section 164(15) of the Act.

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3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS (CONTINUED)

3.2 Abstention from voting

ATB, Wolong and their respective associates (as defined in the Listing Manual) will abstain from voting in respect of the Ordinary Resolution relating to the proposed renewal of the General Mandate at the forthcoming 2023 AGM.

Further, each of the persons mentioned in this paragraph 3.2 undertakes to decline to accept appointment to act as proxies for other Shareholders of the Company at the 2023 AGM or Ordinary Resolution 6 unless the Shareholder concerned shall have been given specific instructions as to the manner in which his votes are to be cast.

4. DIRECTORS' RECOMMENDATION

The Directors who are considered independent for the purposes of the proposed renewal of the General Mandate (the "Independent Directors") are Dr Knut Unger and Mr Chao Mun Leong. The Independent Directors having considered, *inter alia*, the terms, the rationale and the benefits of the General Mandate, are of the view that the General Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution 6 relating to the General Mandate set out in the Notice of AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors jointly and severally accept responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts and opinions expressed in this letter are fair and accurate and that there are no material facts the omission of which would make any statement in this letter misleading.

6. ADVICE TO SHAREHOLDERS

Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisor immediately.

7. SGX-ST

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this letter.

Yours faithfully

BROOK CROMPTON HOLDINGS LTD.
Chao Mun Leong

Singapore