

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

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

Statement of Comprehensive Income for the 3 months ended 31 March 2019:

		Group		
	Note	Q1 2019	Q1 2018	Increase/ (Decrease)
		S\$'000	S\$'000	%
Continuing operations				
Revenue		11,875	11,988	(0.9)
Cost of sales		(7,779)	(8,164)	(4.7)
Gross profit		4,096	3,824	7.1
Other gains		91	43	111.2
Distribution and marketing expenses		(1,401)	(1,552)	(9.7)
Administrative expenses		(974)	(1,256)	(22.5)
Finance income/(expenses)	1	47	(89)	(152.7)
Others expenses		(178)	(32)	455.9
		(2,506)	(2,929)	(14.4)
Profit before income tax	2	1,681	938	79.2
Income tax expenses		(181)	(491)	(63.2)
Profit for the financial period, representing profit attributable to owners of the company		1,500	447	235.5
Other comprehensive loss, net of tax				
Foreign currency translation reserves - foreign operations, net of tax of \$Nil		273	218	25.2
Other comprehensive loss for the financial period, net of tax		273	218	
Total comprehensive income for the financial period		1,773	665	166.6

Note :

- Finance income/(expenses) includes foreign exchange gain from financing activities of \$0.07 mil (2018: foreign exchange loss of \$0.07 mil)
- Profit for the financial period has been arrived at after charging/(crediting):

	Q1 2019	Q1 2018
	S\$'000	S\$'000
Amortisation and depreciation	195	42
Write-off/(Reversal of write down) on inventories	8	(8)
Allowance for impairment of third party trade receivables	-	13
Foreign exchange loss - net	49	304

NM: Not meaningful

Brook Crompton Holdings Ltd.

Unaudited First Quarter Financial Statement And Dividend Announcement For The Three Months Ended 31 March 2019

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

	Note	Group 31-Mar-19 S\$'000	Group 31-Dec-18 S\$'000	Company 31-Mar-19 S\$'000	Company 31-Dec-18 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		17,231	16,469	2,677	1,966
Trade and other receivables		11,000	9,286	4,767	6,781
Prepayments		945	889	16	2
Inventories		14,632	14,375	-	-
		43,808	41,019	7,461	8,749
Non-current assets					
Investments in subsidiaries		-	-	23,204	21,814
Property, plant and equipment		4,876	2,002	441	8
Deferred tax assets		313	314	-	-
		5,189	2,316	23,645	21,822
Total assets		48,997	43,335	31,106	30,571
LIABILITIES					
Current liabilities					
Trade and other payables		9,950	9,461	214	164
Current tax liabilities		847	673	1	3
Provision for warranty		104	104	-	-
Lease liabilities		630	-	101	-
Borrowings		1,415	1,083	-	-
		12,946	11,321	315	167
Non-current liabilities					
Lease liabilities		2,255	-	333	-
Borrowings		2	2	-	-
Retirement benefit obligations		592	583	-	-
Deferred tax liabilities		2	2	-	-
		2,851	587	333	-
Total liabilities		15,797	11,908	649	167
NET ASSETS		33,200	31,427	30,457	30,404
EQUITY					
Capital and reserves attributable to Company's equity holders					
Share capital		149,642	149,642	149,642	149,642
Other reserves		16,714	16,441	18,650	18,650
Accumulated losses		(133,156)	(134,656)	(137,835)	(137,888)
		33,200	31,427	30,457	30,404

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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 31/03/2019		As at 31/12/2018	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
1,415	-	1,083	-

(b) Amount repayable after one year

As at 31/03/2019		As at 31/12/2018	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
2	-	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 First Quarter Financial Statement And Dividend Announcement For The Three Months Ended 31 March 2019

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

	Group	
	31-Mar-19 S\$'000	31-Mar-18 S\$'000
Cash flows from operating activities		
Profit for the financial period	1,500	447
Adjustments for:		
Income tax expense	181	491
Depreciation and amortisation	195	42
Retirement benefit plan expense	46	49
Interest expense	29	21
Interest income	(9)	-
Write-off /(Reversal of write down) on inventories	8	(8)
Allowance for impairment of third party trade receivables	-	13
Write back of provision of warranty	(8)	(5)
Net foreign exchange (gain)/loss	(32)	6
Operating profit before working capital changes	1,910	1,056
Changes in :		
- Inventories	(134)	366
- Trade and other receivables	(1,572)	(1,174)
- Prepayments	(43)	(53)
- Trade and other payables	326	569
- Provision for warranty	8	5
Cash generated from operations	495	769
Income tax paid	(19)	(20)
Retirement benefit contribution paid	(46)	(49)
Net cash from operating activities	430	700
Cash flows from investing activities		
Interest received	9	-
Acquisitions of property plant and equipment	(3)	(11)
Net cash used in investing activities	6	(11)
Cash flows from financing activities		
Repayment of finance lease	(2)	(2)
Interest paid	(18)	(21)
Lease rental paid	(167)	-
Net cash used in financing activities	(187)	(23)
Net increase in cash and cash equivalents	249	666
Cash and cash equivalents at 1 January	15,392	12,956
Effects of exchange rate fluctuation on cash held	179	330
Cash and cash equivalents at 31 March (Note A)	15,820	13,952
Note A:	31-Mar-19	31-Mar-18
Cash and cash equivalents consist of:	S\$'000	S\$'000
Cash and bank balance	17,231	15,579
Less: Bank overdrafts	(1,411)	(1,627)
	15,820	13,952

- 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

STATEMENTS 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	<u>149,642</u>	<u>18,650</u>	<u>(1,936)</u>	<u>(133,156)</u>	<u>33,200</u>
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	<u>149,642</u>	<u>18,650</u>	<u>(1,255)</u>	<u>(136,185)</u>	<u>30,852</u>

STATEMENTS 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	<u>149,642</u>	<u>18,650</u>	<u>(137,835)</u>	<u>30,457</u>
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	<u>149,642</u>	<u>18,650</u>	<u>(139,000)</u>	<u>29,292</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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

There were no changes in the company's share capital during the current reporting period.

There were no outstanding warrants as at 31 March 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 31 March 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	
Q1 2019	Q1 2018
Cents	Cents
4.23	1.26
4.23	1.26
4.23	1.26
4.23	1.26

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

Net asset 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	
31-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18
Cents	Cents	Cents	Cents
93.6	88.6	85.9	85.7
35,458,818	35,458,818	35,458,818	35,458,818

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

For the three months financial period ended 31 March 2019 ('Q1 2019'), Brook Crompton Holdings Limited and its subsidiaries ('the Group') recorded sales of S\$11.88 million, slight decreased by 0.9% as compared with the previous preceding quarter ('Q1 2018') sales of S\$11.99 million. The decrease mainly due to Brexit uncertainty affected the sales in UK market. However, there are improvement of sales in United States market, Canada market and Asia Pacific market.

The gross profit in Q1 2019 has improved by 7.1% as compared to Q1 2018, resulted from higher sales products with better margin in Q1 2019. The increase in other gains mainly due to lower loss on foreign exchange from operating activities in Q1 2019 as compared to Q1 2018. The group expenses for Q1 2019 are S\$2.50 million, as compared with Q1 2018's S\$2.93 million. The finance income in Q1 2019, resulted from the gain on foreign exchange from financing activities. In comparison, the finance expenses in Q1 2018 was resulted by unfavourable foreign exchange loss from financing activities. The overall group expenses in Q1 2019 are much lower as compared to Q1 2018. This is the resultant effect from the control of personnel costs and other overhead costs.

Profit before income tax for the financial period is S\$1.68 million, which is much higher than Q1 2018. Net profit for the financial period is S\$1.50 million compared to Q1 2018 is S\$0.45 million. The increase in net profit for the financial period mainly due to lower income tax expenses in Q1 2019 as compared to Q1 2018. Higher income tax expenses in Q1 2018, mainly due to reduction of corporate tax rate in BC America, the deferred tax assets previously recognized in BC American adjusted to align with the latest corporate tax in America. EBITDA is S\$1.83 million compared with the previous S\$1.11 million.

Statement of Cash Flow

Net cash generated from operating activities decreased to S\$0.43 million compared to S\$0.70 million in Q1 2018, mainly due to higher inventory replenishment as compared to Q1 2018 and slow payment made by customers. Net cash used in financing activities increased to S\$0.19 million compared to S\$0.02 million in Q1 2018. The increase mainly due to adoption of SFRS(I) 16 leases, lease rental paid for the lease liabilities will be reflected in financing activities. Net cash position stand at S\$15.82 million from previous S\$13.95 million.

Statement of Financial Position

Net assets increased by 5.6% to S\$33.20 million after taking in the net profit for the financial period of S\$1.50 million and foreign currency translation of S\$0.27 million. The current ratio stays at a healthy level of 3.4 as at 31 March 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 31 March 2019. Trade and other receivables increased by 18.5% to S\$11.0 million from prior year of S\$9.28 million, resulted from slow payment made by customers.

Current liabilities have increased by 14.4% to S\$12.95 million from S\$11.32 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. At the same time, with adoption of SFRS(I) 16 leases, lease liabilities has been recognised as at 31 March 2019.

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 continue to look to wider markets to take advantage not only of the oil and gas segment, but also other segments attracting investment such as water supply / treatment and infrastructure.

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.

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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 31 March 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 \$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 \$100,000)	
	YTD		YTD	
	Q1 2019 \$'000	Q1 2018 \$'000	Q1 2019 \$'000	Q1 2018 \$'000
General Transactions				
ATB Server d.o.o.	-	-	-	200
ATB Tamel S.A.	-	-	2,923	2,921
Wolong Electric Group Co., Ltd	-	-	2,870	3,502
ATB UK Group Limited	-	-	183	101
	-	-	5,976	6,724

14 Negative Assurance on interim Financial Statement

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 31 March 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, 25 April 2019