

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

	Note	Group		Change + / (-) %
		6 months ended		
		30 Jun 24	30 Jun 23	
		S\$'000	S\$'000	
Revenue		31,763	38,309	(17.1)
Cost of sales		(22,683)	(28,209)	(19.6)
Gross profit		9,080	10,100	(10.1)
Other income	6	431	466	(7.5)
Expenses:-	6			
- Distribution and marketing		(4,375)	(3,731)	17.3
- Administrative		(2,612)	(2,522)	3.6
- Net finance income		206	72	186.1
- Others		(489)	(313)	56.2
		(7,270)	(6,494)	11.9
Profit before income tax	6	2,241	4,072	(45.0)
Income tax expense	7	(504)	(836)	(39.7)
Profit for the financial period		1,737	3,236	(46.3)
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Exchange difference on translation of foreign operations net of tax		569	1,408	
Other comprehensive income for the financial period, net of tax		569	1,408	
Total comprehensive income for the financial period		2,306	4,644	
Profit /(Loss) attributable to:-				
Owners of the Company		1,743	3,236	
Non-controlling interests		(6)	-	
		1,737	3,236	
Total comprehensive income/(loss) attributable to:				
Owners of the Company		2,312	4,644	
Non-controlling interests		(6)	-	
		2,306	4,644	
Earnings per share for profit for the period				
owners of the Company during the period:-				
Basic (SGD in cent)		4.92	9.13	
Diluted (SGD in cent)		4.92	9.13	

B. Condensed Interim Statements of Financial Position

	Note	Group 30 Jun 24 S\$'000	Group 31 Dec 23 S\$'000	Company 30 Jun 24 S\$'000	Company 31 Dec 23 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		22,538	17,938	2,779	3,094
Trade and other receivables		15,665	16,550	7,979	9,842
Prepayments		887	656	23	4
Inventories		23,223	25,227	-	-
Total current assets		62,313	60,371	10,781	12,940
Non-current assets					
Subsidiaries		-	-	20,672	19,137
Property, plant and equipment	9	5,631	5,478	342	385
Intangible assets		25	31	8	10
Retirement benefits assets		326	328	-	-
Total non-current assets		5,982	5,837	21,022	19,532
Total assets		68,295	66,208	31,803	32,472
LIABILITIES					
Current liabilities					
Trade and other payables		17,395	18,306	428	487
Current tax liabilities		1,309	944	-	3
Lease liabilities		833	632	78	76
Total current liabilities		19,537	19,882	506	566
Non-current liabilities					
Deferred tax liabilities		97	99	-	-
Lease liabilities		2,578	3,211	269	309
Total non-current liabilities		2,675	3,310	269	309
Total liabilities		22,212	23,192	775	875
NET ASSETS		46,083	43,016	31,028	31,597
EQUITY					
Capital and reserves attributable to Company's equity holders					
Share capital	10	149,642	149,642	149,642	149,642
Non-controlling interests		1,464	-	-	-
Other reserves		15,780	15,211	18,650	18,650
Accumulated losses		(120,803)	(121,837)	(137,264)	(136,695)
Total equity		46,083	43,016	31,028	31,597

C. Condensed Interim Statements of Changes in Equity

<u>The Group</u>	Share Capital S\$'000	Non- controlling interests S\$'000	Capital Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance at 1 January 2024	149,642	-	18,650	(3,439)	(121,837)	43,016
Total comprehensive income for the financial period	-	(6)	-	-	1,743	1,737
Dividend paid	-	-	-	-	(709)	(709)
Capital contribution on a subsidiary	-	1,470	-	-	-	1,470
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	569	-	569
Balance at 30 June 2024	<u>149,642</u>	<u>1,464</u>	<u>18,650</u>	<u>(2,870)</u>	<u>(120,803)</u>	<u>46,083</u>
Balance at 1 January 2023	149,642	-	18,650	(4,081)	(125,295)	38,916
Total comprehensive income for the financial period	-	-	-	-	3,236	3,236
Dividend paid	-	-	-	-	(709)	(709)
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	-	1,408	-	1,408
Balance at 30 June 2023	<u>149,642</u>	<u>-</u>	<u>18,650</u>	<u>(2,673)</u>	<u>(122,768)</u>	<u>42,851</u>
The Company						
	Share Capital S\$'000		Capital Reserve S\$'000		Accumulated losses S\$'000	Total S\$'000
Balance at 1 January 2024	149,642		18,650		(136,695)	31,597
Total comprehensive income for the financial period	-		-		140	140
Dividend paid					(709)	(709)
Balance at 30 June 2024	<u>149,642</u>		<u>18,650</u>		<u>(137,264)</u>	<u>31,028</u>
Balance at 1 January 2023	149,642		18,650		(138,817)	29,475
Total comprehensive income for the financial period	-		-		531	531
Dividend paid					(709)	(709)
Balance at 30 June 2023	<u>149,642</u>		<u>18,650</u>		<u>(138,995)</u>	<u>29,297</u>

D. Condensed Interim Consolidated Statement of Cash Flows

	The Group	
	6 months ended 30 Jun 24 S\$'000	6 months ended 30 Jun 23 S\$'000
Cash flows from operating activities		
Profit for the financial period	1,737	3,236
Adjustments for:		
Income tax expense	504	836
Depreciation and amortisation	584	538
Retirement benefit plan expense	43	105
Finance costs on lease liabilities	71	53
Interest income	(277)	(126)
Reversal of impairment of trade receivables	(15)	(218)
Impairment of inventories	257	319
Inventories written off	-	93
Provision made for warranty	-	(11)
Net foreign exchange (gain)/loss	(15)	749
Operating profit before working capital changes	<u>2,889</u>	<u>5,574</u>
Changes in operating assets and liabilities		
Inventories	2,031	1,339
Trade and other receivables	1,247	(1,415)
Prepayments	(214)	146
Trade and other payables	(1,127)	1,268
Cash generated from operations	<u>4,826</u>	<u>6,912</u>
Income tax paid	(378)	(568)
Retirement benefit contribution paid	(43)	(105)
Net cash from operating activities	<u>4,405</u>	<u>6,238</u>
Cash flows from investing activities		
Interest received	277	126
Acquisition of property, plant and equipment	(500)	(74)
Acquisition of intangible assets	-	(13)
Net cash (used in)/from investing activities	<u>(223)</u>	<u>39</u>
Cash flows from financing activities		
Capital contribution by non-controlling interest	1,470	-
Repayment of obligations under leases	(652)	(472)
Dividends paid	(709)	(709)
Interest paid	-	(53)
Net cash from/(used in) financing activities	<u>109</u>	<u>(1,235)</u>
Net increase in cash and cash equivalents	<u>4,291</u>	<u>5,043</u>
Beginning of financial period	<u>17,938</u>	<u>13,312</u>
Effects of exchange rate changes on cash and cash equivalents	309	(597)
End of financial period	<u>22,538</u>	<u>17,757</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 2024 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 2024 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 2023.

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 2023.

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 & Continenta Europe S\$'000	North America S\$'000	Asia Pacific S\$'000	Corporate S\$'000	Consolidatec S\$'000
1 January 2024 to 30 June 2024					
<u>Revenue</u>					
Total segment revenue	16,118	12,343	5,174	-	33,635
Inter-segment revenue	(340)	(1,532)	-	-	(1,872)
Revenue from external parties	15,778	10,811	5,174	-	31,763
<u>Other income</u>					
Administrative fee income	35	-	-	-	35
Management fee income	-	-	-	172	172
License fee income	156	-	-	-	156
Rental income	45	-	-	-	45
Miscellaneous income	7	6	8	2	23
Total other income	242	6	8	174	431
Total revenue and other income	16,020	10,817	5,182	174	32,194
Segment results	1,771	1,181	400	(492)	2,860
Interest income	221	20	-	36	277
Interest expense	(44)	(14)	(3)	(10)	(71)
Depreciation and amortisation	(353)	(123)	(64)	(44)	(584)
Reversal of impairment of third party trade receivables	20	(5)	-	-	15
Impairment on inventories	(145)	(112)	-	-	(257)
Profit before taxation	1,469	948	333	(509)	2,241
Taxation	(299)	(145)	(60)	-	(504)
Earnings for the interim period	1,170	803	273	(509)	1,737
Segment assets	30,083	24,093	9,094	5,025	68,295
Total assets per statement of financial position	30,083	24,093	9,094	5,025	68,295
Expenditures for segment non-current assets					
- Additions to property, plant and equipment	64	431	5	-	500
Segment liabilities	9,573	8,297	2,362	671	20,903
Current income tax liabilities	1,245	-	64	-	1,309
Total liabilities per statement of financial position	10,818	8,297	2,426	671	22,212

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
1 January 2023 to 30 June 2023					
<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
Total revenue and other income	23,058	11,260	4,342	116	38,775
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)
Earnings for the interim period	2,295	1,068	101	(228)	3,236
Segment assets	33,617	23,288	6,260	3,440	66,605
Total assets per statement of financial position	33,617	23,288	6,260	3,440	66,605
Expenditures for segment non-current assets					
- Additions to property, plant and equipments	59	15	-	-	74
- Additions to intangible assets	-	-	-	13	13
Segment liabilities	11,343	8,700	2,318	179	22,540
Current income tax liabilities	1,133	78	3	-	1,214
Total liabilities per statement of financial position	12,476	8,778	2,321	179	23,754

4.2. Disaggregation of Revenue

	Group			
	6 months ended 30 June 2024			
	United Kingdom & Continental Europe S\$'000	North America S\$'000	Asia Pacific S\$'000	Total S\$'000
<u>Types of goods:</u>				
Electric motors	15,778	10,811	5,174	31,763
<u>Timing of transfer of goods:</u>				
Point in time	15,778	10,811	5,174	31,763

4.2. Disaggregation of Revenue (Continued)

	Group			
	6 months ended 30 June 2023			
	United Kingdom & Continental Europe	North America	Asia Pacific	Total
	S\$'000	S\$'000	S\$'000	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

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 2024 and 31 December 2023:

	The Group		The Company	
	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Trade and other receivables	15,665	16,550	7,979	9,842
Cash and cash equivalents	22,538	17,938	2,779	3,094
Financial assets at amortised costs	38,203	34,488	10,758	12,936
Financial Liabilities				
Trade and other payables	(17,395)	(18,306)	(428)	(487)
Lease liabilities	(3,411)	(3,843)	(347)	(385)
Financial liabilities at amortised costs	(20,806)	(22,149)	(775)	(872)

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.

6. Profit before taxation

6.1. Significant items

	Group	
	6 months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
(i) Other Income		
Administrative fee income	35	105
Management fee income	172	68
License fee income	156	210
Rental income	45	21
Miscellaneous income	23	62
	431	466

6. Profit before taxation (Continued)	Group	
	6 months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
6.1. Significant items (Continued)		
(ii) Net finance (income)/expenses		
Finance lease expenses	71	53
Finance income on placement of fixed deposits	(277)	(126)
Net finance income	(206)	(73)
(iii) Expenses		
Depreciation of property, plant and equipment	584	538
Impairment of inventories	257	319
Reversal of inventories written off/Inventories written off	-	93
Reversal of impairment of third party trade receivables	(15)	(218)
Foreign exchange losses, net	64	77

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:

	Group	
	6 months ended	
	30-Jun-24	30-Jun-23
	S\$'000	
Current income tax expense	504	836

8. Net Asset Value

	Group		Company	
	30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
	SGD in Cents			
Net asset value per ordinary share	125.8	121.3	87.5	89.1

9. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to S\$500,000 (30 June 2023: S\$74,000) and no disposal of assets in the financial period.

10. Share Capital

	The Group and the Company			
	30 June 2024		31 December 2023	
	Number of shares	Amount	Number of shares	Amount
	'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 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

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 2024 and 31 December 2023.

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 2024 and 31 December 2023, the Company's issued ordinary shares were 35,458,818. The Company did not have any treasury shares as at 30 June 2024 and 31 December 2023.

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 2023 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 2024 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 24 SGD in Cents	30 Jun 23 SGD in Cents
4.92	9.13
4.92	9.13

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 2024	31 Dec 2023	30 June 2024	31 Dec 2023
Cents	Cents	Cents	Cents
125.8	121.3	87.5	89.1
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 2024 ("2024")

Cumulative sales for 6 months in 2024 is S\$31.8 million, decrease by 17.1% as compared to the corresponding preceding 2023 sales of S\$38.3 million. This is mainly due to sales decrease in United Kingdom and United States. Last year, there was sales for projects business in United Kingdom which contributed significant sales in last year. The gross profit in 2024 is lower as compared to 2023, as lower sales contributed in 2024. However, there was improvement of gross profit margin in 2024 as compared to 2023 resulted from the higher sales of products with better margin in 2024.

Other income for 6 months in 2024 is much lower as compared to 2023 mainly due lower license fee income and administrative fee income reimbursed from related companies for cost sharing.

Cumulative overall expenses for 6 months in 2024 increase by 11.9% to S\$7.3 million as compared to S\$6.5 million in 2023. The distribution and marketing expenses increased as compared to 2023, mainly due to higher marketing costs, travelling costs and additional sales personnel hired in current financial period. Slight increase in administrative expense mainly due to additional consultancy fee and IT expenses incurred during the financial period. The other expense is much higher as compared to 2023 as higher depreciation of property, plant and equipments and lower reversal of impairment of third party trade receivables in current financial period.

The increase in net finance income mainly due to higher interest income derived from placement of fixed deposits in current financial period.

As a result of the above, profit before income tax decreased by 45% to S\$2.2 million and EBITDA (earnings before interest, tax, depreciation and amortisation) decrease to S\$2.6 million in 2024 from S\$4.5 million in 2023. The decrease in profit before tax and EBITDA mainly due to decrease in sales contribution and increase in operating costs during the financial period. Income tax expense in 2024 is much lower as compared to 2023, due to lower tax provisional for the profitable companies in the Group.

Condensed Interim Statement of Financial Position

Slight increase in net assets to S\$46.1 million as compared to year ended 2023's S\$43 million, after taking in the profit and other comprehensive income for the financial period of S\$2.3 million. Current ratio maintained in health position of 3.2.

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

Trade and other receivables decreased by 5.3% to S\$15.7 million from prior year of S\$16.6 million, resulted from lower sales contributed in last few months of the financial period. As at 30 June 2024, only 8% of overall trade receivables are past due more than 180 days and 1% of overall trade receivables are past due 91 – 180 days. Management has performed an assessment of the estimated the future cash flows of the debts and determined no expected credit losses.

Inventories decreased by 7.9% to S\$23.2 million from S\$25.2 million, the decrease mainly due to control and manage the stocks replenishment in United Kingdom, Italy and Australia to match with the sales orders from customers. Lesser stocks replenishment due to lower sales orders received from customers.

The increase in prepayment mainly caused by the additional prepayment made to suppliers in current financial period.

Increase in cash and cash equivalents partly due to capital contribution from a new subsidiary in current financial period and collections from customers.

Condensed Interim Statement of Financial Position (continued)

Total liabilities have decreased by 4.2% mainly due to decrease of non-current liabilities from S\$3.3 million prior year to S\$2.6 million as at 30 June 2024, as lower lease liabilities with repayment of obligation under leases during the financial period.

At the same time, trade and other payables as at 30 June 2024 are much lower mainly due to prompt repayment made to suppliers.

However, there was higher provisional tax liabilities as at 30 June 2024, as to additional tax provisional needed for profitable companies in the Group in the current financial period.

Condensed Interim Consolidated Statement of Cash Flows

Net cash generated from operating activities decreased to S\$4.4 million in 2024 as compared to S\$6.2 million in 2023 mainly due to lower profit contributed in current financial period and prompt repayment made the suppliers as compared to prior period.

Net cash from investing activities in 6 months ended, 30 June 2024 is much lower as compared to prior period, mainly due to purchase of property, plant and equipment of S\$0.5 million compared to S\$74K in prior period.

Net cash from financing activities in 6 months ended, 30 June 2024 is \$0.1 million as compared to prior period is net cash used in financing activities of S\$1.2 million. This is mainly resulted from the capital contribution by non-controlling interests in current financial period.

Net cash position stands at S\$22.5 million as at 30 June 2024 while the net cash position as at 30 June 2023 was S\$17.8 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.

During the first half of the year the revenue compared to last year decreased by 17.1% . Last year we had a significant project business that was delivered in first half of 2023 and supported the strong sales revenue in the first half of the previous year. Subsequently, due to lower sales we have decrease in the gross profit by 10.1%. The profit before tax for the first half of the current financial year also is lower by 45% compared to last year, mainly being impacted by the projects business deliveries when comparing with last year. Main growth regions were covered by Canada, UK and the Australian business now already established in the region.

The Italian business continues to face challenges with revenue growth. This is due to weak market, excessive stock levels build up in previous years and very aggressive pricing from Asian competitors. Our USA business has also been impacted. The trend of industry end clients to digitalise processes and use external support for equipment maintenance and prediction of equipment status continues. The group is embracing this opportunity to serve and support clients through newly formed subsidiary which will be covering service and maintenance demands.

The crises and recent events in the Middle East Region and North Africa (MENA) had an impact on our supply chain and customer deliveries. During the last 6 months we have seen soaring freight rates and shipping insurance costs, however the prices are now stabilising. Many shipping analysts have predicted the ongoing Red Sea shipping crises will continue into the first half of next year.

Sustainability, Carbon capture and renewable energy projects are on the rise, these are driven by legislations requirements and already set targets. The Group believes has a diverse supply chain to continue to manage customer expectations and support their demands. Industrial activity stagnated in 2023, with particular weakness in the developed world, a number of factors that have held back production – high energy prices, high interest rates and destocking – are now set to ease, leading to a recovery starting in the second half of 2024. Consistent with this view the global manufacturing PMI has moved into positive territory since January this year.

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).

As 2024 progresses it is expected global industrial activity should pick up and rebuild some momentum. A gradual reduction in interest rates will benefit interest sensitive sectors. But transmission lags which means the positive impact of this will be felt more in 2025. Its expected Chemical demand to recover from a low base, helped by normalised energy prices, falling interest rates. Unwinding of OPEC+ cuts is expected to boost demand from the oil and gas sector.

With available inventory and plan to support existing pipeline the group can respond to changes in trends in the industry towards renewable offerings and energy efficient solutions. The Group looks forward to profitable second half of 2024 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 year 2024 and looks forward to the new financial year 2025.

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 2024, 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 24 S\$'000	30 Jun 23 S\$'000	6 months ended 30 Jun 24 S\$'000	30 Jun 23 S\$'000	
<u>Purchase transactions</u>						
Wolong Electric Group Co Ltd	Associates of Controlling shareholder	-	312	6,713	2,155	
Wolong Electric (Vietnam) Company Limited		-	100	900	2,566	
Wolong Americas LLC		-	-	2,697	718	
ATB Tamel S.A		-	624	4,090	5,835	
ATB UK Group		-	-	243	110	
ATB Schorch		-	155	40	5,213	
ATB Nordenham GmbH		-	497	906	301	
ATB Welzheim		-	-	306	479	
AT Sever A.D.		-	-	598	129	
Wolong (Zhejiang) Marine Technology Co., Ltd		124	-	-	-	
<u>Sales transactions</u>						
Wolong EMEA Germany GmbH		-	-	(7)	(357)	
<u>Management fee income</u>						
Wolong Electric Group Co Ltd	-	-	(172)	(68)		
<u>License fee income</u>						
ATB Tamel S.A	(156)	-	-	-		
		(32)	1,688	16,314	17,149	

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 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Pang Xinyuan
Director

Chao Mun Leong
Director

By Order of the Board

Pang Xinyuan
Director

Singapore, 7 Aug 2024