

# **BROOK CROMPTON HOLDINGS LTD.**

(the “**Company**”)

(Co. Reg. No. 194700172G)

(Incorporated in the Republic of Singapore)

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## **MEMORANDUM OF UNDERSTANDING ENTERED INTO BETWEEN BROOK CROMPTON SERVICE TECHNOLOGY PTE LTD, TURBO-MECH ASIA PTE LTD AND ZHEJIANG IMOTORLINX TECHNOLOGY CO., LTD**

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### **1. Introduction**

The board of directors (the “**Board**” or the “**Directors**”) of Brook Crompton Holdings Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Brook Crompton Service Technology Pte Ltd (“**BCST**”), has entered into a memorandum of understanding on 10 November 2023 (“**MOU**”) with Turbo-Mech Asia Pte Ltd (“**TMA**”) and Zhejiang iMotorLinx Technology Co., Ltd (“**iMotor**”) (collectively as “**Parties**” and any one of them as “**Party**”). The MOU sets out the basis of co-operation and collaboration between Parties (the “**JV**”) to undertake projects and provision or sale of the products and services throughout ASEAN with respect to full service electric motor and rotating equipment, IOT smart full life cycle solution and engineering and retrofit solution for energy saving (the “**JV Business**”), through a joint venture company to be established (“**JVC**”).

### **2. Details of the Parties**

*The information set out in this section 2 were provided by the respective Parties and/or obtained from the respective corporate websites, and which has been extracted and reproduced herein. In respect of such information, the Directors have not independently verified the accuracy and correctness of the same and the Directors’ responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.*

#### **(a) Turbo-Mech Asia Pte Ltd**

TMA is a wholly-owned subsidiary of Turbo-Mech Berhad, a company listed on the Bursa Malaysia Securities Berhad. TMA’s address is at 22 Joo Koon Circle, Singapore 629054.

TMA was incorporated in 1989 and started as a trading and services company. Its main business activity is in the supply of products such as pumps, steam turbine, compressors and cooling fans for various applications in the upstream and downstream side of the oil & gas and petrochemical industries (<https://www.turbo-mech.com.sg>).

(b) Zhejiang iMotorLinx Technology Co., Ltd

iMotor is a private limited liability company incorporated in People's Republic of China with its registered office and principal place of business at ZheDaWangXin Technology Park, Bld.16, East Fuxing Road, Shaoxing, Zhejiang, China.

iMotor is involved in digital transformation and smart manufacturing and has created the iMotorLinx Industrial Internet platform, which provides digital products and business operation solutions for the IT industry, including upstream and downstream sectors worldwide.

### 3. Salient Terms of the MOU

(a) Objectives of the JV

The JVC will be established as the operating entity to undertake the JV Business in the ASEAN region. The Parties will work closely and effectively collaborate with one another, so that the JVC is able to leverage upon the resources, skills, expertise, experience, and capabilities of each Party to market and carry out the JV Business.

(b) Duration of the MOU

The MOU shall commence on 10 November 2023 ("**Effective Date**") and shall remain valid and in force for a period of three months from the Effective Date. Either party may terminate the MOU upon 30 days' notice in writing. The MOU may be extended by written agreement of the Parties.

(c) Non-binding Effect of the MOU

The MOU serves as a record of the Parties' intentions and as a basis for more in-depth discussion and preparation of the definitive legal agreements in respect of the JV and does not constitute or create, and is not intended to constitute or create, any legally binding obligations. The MOU will also not give rise to any financial obligation by one Party to the other.

#### 4. Rationale

The Board is of the view that the JV provides the Group with an opportunity to expand its suite of offerings to include service and maintenance for motors incorporating the new IOT technology of smart motor life management system. This would provide the Group with an additional revenue stream and is in line with the Group's strategy of developing sustainable sales and revenue growth, as well as enhancing profitability.

The Board also notes that the Group's customers are pivoting towards operational digitalisation giving rise to the demand for capabilities relating to remote diagnostics of their assets, among others. The JV will allow the Group to tap on its existing client base, and to also expand such client base, to generate additional revenue with the offering of the aforesaid solutions of the JV Business.

#### 5. Interest of Directors and Controlling Shareholders

As at the date of this announcement,

- (a) ATB Austria Antriebstechnik AG ("**ATB**") is a controlling shareholder of the Company holding 61.20% of the entire issued and paid-up capital of the Company;
- (b) Wolong is the indirect 100% holding company of ATB and is deemed to be interested in the shares in the Company held by ATB by virtue of Section 7 of the Companies Act 1967;
- (c) Wolong Electric Group Co., Ltd. ("**Wolong**") owns an approximate 24.54% equity interest in iMotor. Zhejiang Longchuang Motor Technology Innovation Co. Ltd ("**Longchuang**") holds an approximate 16.36% equity interest in iMotor. Wolong owns a 30% equity stake in Longchuang and Wolong's wholly-owned subsidiary, Wolong Electric (Shanghai) Central Research Institute Co., Ltd, owns a 20% equity stake in Longchuang. As such, Wolong is deemed to be interested in the equity interest held by Longchuang in iMotor by virtue of section 7 of the Companies Act 1967, and accordingly Wolong has a direct and deemed aggregate equity interests of approximately 40.90% in iMotor. The remaining equity in iMotor is owned by unrelated third parties; and
- (d) Mr. Pang Xinyuan, the Chairman and Non-Independent, Non-Executive Director of the Company, is the spouse of Chen Yanni and son-in-law of Chen Jiancheng, who holds 38.73% equity interest and 48.93% equity interest in Wolong Holding Group Co. Ltd, and Wolong Holding Group Co. Ltd in turn owns direct and indirect equity interests in Wolong amounting to an aggregate of approximately 36.94%.

Accordingly, for purposes of Chapter 9 of the Listing Manual, (i) iMotor is an “associate” of ATB and Wolong, and (ii) iMotor is also an indirect “associate” of Mr. Pang Xinyuan, and hence iMotor is an “interested person”. As such, the JV with iMotor constitutes an “interested person transaction” under Chapter 9 of the Listing Manual. As the MOU will not give rise to any financial obligation by one Party to the other pursuant to the terms of the MOU, there is no “amount at risk” to the Company under the MOU for purposes of Chapter 9 of the Listing Manual.

Save as disclosed above, none of the other Directors or controlling shareholder(s) of the Company has any interest, direct or indirect (other than through their respective shareholdings in the Company), in the MOU.

## 6. Caution in Trading

**Shareholders and potential investors should note that the MOU is subject to entering into the definitive documentation in respect of the JV, *among others*. There is no certainty or assurance that such definitive documentation will be entered into, or that the JV will be completed. Shareholders and potential investors should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial tax or other professional advisers.**

The Company will keep shareholders updated on any material developments in relation to the MOU and in this regard will make further disclosures in a separate announcement(s) upon entering into definitive documentation which will be subject to compliance with the applicable requirements of the Listing Rules and in particular Chapter 9 of the Listing Manual relating to interested person transactions.

For and on behalf of the Board  
**BROOK CROMPTON HOLDINGS LTD.**

Pang Xinyuan  
Non-Independent Non-Executive Chairman  
10 November 2023