



## EGM - The Proposed Adoption of The Interested Person Transactions General Mandate

Prepared by J Ristov

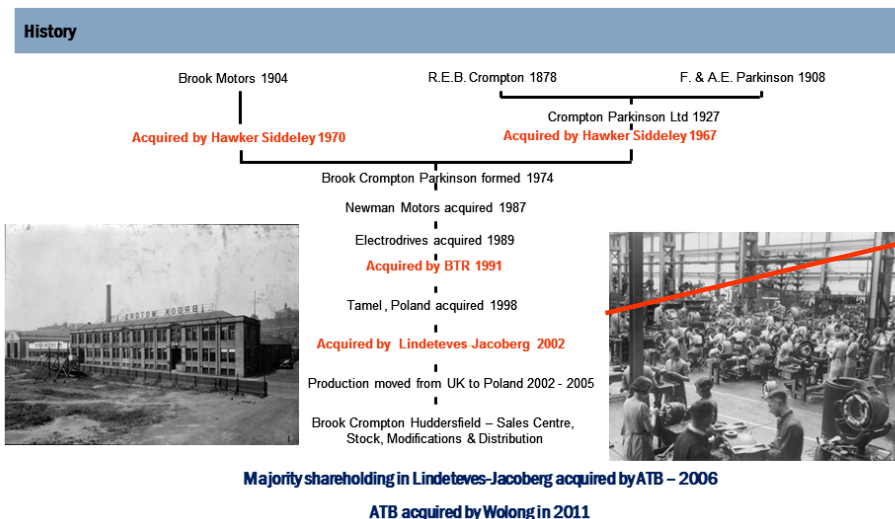


## AGENDA

- I. IPT and its impact on current company business performance.
  - II. Company strategies/policies on third party independent suppliers to support company business growth
  - III. Purchase trends on third parties supplies FY2021 to FY2022
  - IV. Potential Risk
  - V. Conclusion
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# I. IPT and its impact on current company business performance (End Client and EPC) – customer recognition and approvals

- ❑ Brook Crompton brand for decades has been associated with ATB Tamel and ATB Group: (Approved Vendor lists; EPC’s companies (Engineering Procurement Construction) approvals; IPT important for the business continuation )



- ❑ AVL approval process-covers product range
- ❑ Product series
- ❑ Factory address
- ❑ Technical: Electrical and Mechanical performance data

- ❑ Brook Crompton brand listed on AVL (approved vendor lists) for specific IPT factory address

- ✓ Project and opportunities depend on AVL (approved vendor lists)

## I. IPT and its impact on current company business performance (Distribution and Service network )

Each Region has established distribution service network:

- Approximately ~ 70% of our business is relying on IPT supply
  - Number of distribution keep stock of BC motors manufactured at ATB factories to replace and service installed base
  - Apart from motors (manufactured by ATB factories) they also keep spares (such as feet, flanges, bearings etc )
  - Certifications: Approved certified modifications for specific factories (certificates and training)
  - Training and documentation available for existing product range
  - Product documentation supported by the IPT
  - Centralised functions support provided
  - Although we are using third party suppliers we cannot aggressively change in a very short period of time
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## **II. Company strategies/policies on third party independent suppliers to support company business growth**

Developing our third party suppliers through qualifications and selections of supply chains which are based on four major criteria:

1. Product Specification/Performance
2. Delivery performance
3. Services
4. Customers recognitions and approval on supplies.

**III. Purchase trends on third parties supply FY2021 to FY2022**

Summary of purchase	2022		2021	
	S\$'000		S\$'000	
Interested Person Purchase	34,065	67%	24,500	72%
Third Parties Purchase	17,079	33%	9,424	28%
	51,144		33,924	
	S\$'000		S\$'000	
Costs of sales	43,986		33,017	
Percentage of Interest Person Purchase over	77%		74%	
Group's total costs of sales				

## IV. Potential Risk



RISKS to consider when dealing with 3<sup>rd</sup> party suppliers:

While 3<sup>rd</sup> party independent supplies can be competitive in some cases, there are some potential risks:

- They also supply to our competitors . It is difficult to share much technical details as well as technology road maps
  - Third party suppliers can also approach directly to our customers
  - They can shift easily to competitor and refuse to supply to BC
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## V. Conclusion

- We ask you for a support to approve the IPT mandate as roughly around 70% of the business depends on IPT
  - The company will be put in difficult and disruptive position including serious impact in reducing our EBITDA and profitability and serious constrain and burden on our operations
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