

BROOK CROMPTON HOLDINGS LTD.

("the Company")

(Co. Reg. No. 194700172G)

(Incorporated in the Republic of Singapore)

Minutes of the Annual General Meeting ("AGM") of the Company held at Holiday Inn Singapore Atrium, Atrium Ballroom, Level 4, 317 Outram Road, Singapore 169075 on Monday, 29 April 2024 at 2.00 p.m.

Members	:	Members – 25 Proxy – 5	
Directors	:	Mr Pang Xinyuan Dr Knut Unger Mr Chao Mun Leong	- Non-Independent Non-Executive Chairman - Lead Independent Director - Independent Director
In attendance	:	Ms Julijana Ristove Ms Shavy Kwan Wei Yee Ms Lee Bee Fong Ms Ong Yee Nei	- Chief Executive Officer ("CEO") - Financial Controller ("FC") - Company Secretary - Secretariat
Invitees	:	As per the attendance record maintained by the Company	

CHAIRMAN

On behalf of the Board of Directors, Mr Pang Xinyuan ("Mr Pang" or "Chairman"), the Non-Executive Chairman of the Board of Directors (the "Board"), welcomed all present.

The Chairman then proceeded to introduce the other Board members and CEO who attended in this meeting.

QUORUM

The Company Secretary confirmed that a quorum was present for the Meeting. Chairman declared the meeting opened at 2.00pm.

NOTICE

The Notice convening the Meeting, having been in the hands of the shareholders for the requisite statutory period, was, with the permission of the members, taken as read.

COMMENCEMENT OF MEETING

The Chairman informed the members that in compliance with Listing Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") all the resolutions as set out in the Notice of this Meeting would be voted on by way of a poll.

The Chairman proposed that for ease of operation, the Meeting shall go through all the agenda items by getting a proposer and a seconder for the motions and to provide opportunities to members to ask questions. The poll would then be taken after that.

The Chairman informed the members that the Company had appointed Entrust Advisory Pte. Ltd. ("Entrust") and Tricor Singapore Pte Ltd ("Tricor") as the scrutineers and polling agent

respectively for the poll exercise. Entrust and Tricor would assist with the verification and counting of votes as well as the tabling of the voting results. The Chairman then invited the representative from Entrust to brief the members on the polling procedures.

ORDINARY BUSINESS

1. DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Board of Directors tabled the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 ("FY2023") together with the Auditors' Report thereon.

The Chairman invited the floor for questions pertaining to the AFS for FY2023. Questions were raised by several shareholders and their questions were duly answered by the Directors and the CEO. The questions and the responses were summarized below:

Question 1 – Observed that sales went well on 1st half FY2023 and inventory has built-up in Australia and Italy and the Company has challenges with the Italian sales office. Taking note that the project sales is one off and the inventory remained in high level, shareholder would like to seek a purview from the Company the prospect for the coming year and if it is still positive in term of the inventory management.

The CEO responded that yielding a good result in FY2023 was due to some of the projects were delay during COVID. The Company shared that a lot of opportunities coming through with different new product range for their new business and team in Australia and Italy. They expected to see positive outcome from Australia and they are still working on Italy.

Question 2 – How does the Company to position itself amid stiff competition and technological changes?

The Chairman responded that motor efficiency and improvement of power density is the key to win the market share. To stay competitive, the Company should work in this direction, hence the customers would able to enjoy the energy efficiency products and solutions. For the past 2 – 3 years, they are working closely with Wolong to look into new material, changing design of motor so as to increase efficiency and make it more cost effective for their customers. The Company has setup a joint venture company with local partner ("JV") to add a service support to their customers as well as a data collection center for all the devices to predict the preference of customers and potential risk might be facing. Dr Unger clarified that the Research and Development are undertaken by Wolong Group and the business activities of the Company continued to encompass sale and distribution of electric and drive systems. The Company would harness the system integration with the core technology framework to meet the market demands.

Question 3 – Enquired why the Company collaborated with Malaysia Company to work on the health management system instead of working with Wolong on this?

The Chairman explained that Zhejiang Imotorlinx Technology Co., Ltd is a third-party company that invested by Wolong and other shareholders. The rationale to work with Malaysia Company is to get connected with their end users and they are servicing the

pump instead of motor. Through this JV, both parties are able to leverage each other to market and carry out the JV business and get connected to more customers to get know their brand better. Dr Knut Unger highlighted this JV would act as a new window for the Company to build its business.

Question 4 – Observed that seeing the drop in North America market and growing in Asia Pacific and would like the management to share whether the North America market will be growing and which market has the fastest growth and why?

The CEO responded that as stated in the Chairman and CEO Statement, the Company had some challenges in the North America for various reasons. There is a change in the North America's management team and seen a decline in their standard distribution. They are looking into their distribution network and some new large OEM that could support customers' demand. They now have a new team on board and are using representative in North America to strengthen their direct approach. For Canada market, they also have a number of action plan to execute and improve the setup and confident would stimulate the growth in future.

The CEO added that they expected the growth in the coming year from Asia Pacific. Australia would be strong based on the new business that they are taking on and large inventory they have. Canada would also be strong in its sales. For North America, they have been engaging with old distributors, looking at new OEM that can bring in new technology and some new product range to offer to their customers.

Question 5 – Enquired on what the Company has done to keep its costs down and control as the Group is selling their products globally?

The CEO responded that they have set up a centralized team in Canada and the restructured team is supporting both regions which gave them some saving on operation costs. Their inventories are mainly kept in Canada warehouse with available inventory demand local to the North America market. On top of that, they also appoint representative and various agencies in the North America and Canada which gave them direct sales.

Question 6 – Who are the competitors to the Company and the Company's strength as compare to them?

The CEO responded that WEG, Teco and ABB are among the top electric motors brands. The CEO, Dr Knut Unger and the Chairman shared the Company's strengths including the brand prestige, able to provide quicker and good technical response to customer, high reliability, qualified for certain product application, competitive costs and high efficiency of their products are among their strengths.

Question 7 – Looking at the current's turnover figure is at 72 million, they would like to understand the Company's potential grows in the coming years?

The Chairman has faith in electric motor demand would continually due to industrial automation and the need for more efficient upgrading to electric motor. They have invested in sales networks, including Australia and Asia Pacific for the past few years and possibility to expand to middle east. They have potential grow with essential customers from Singapore, Malaysia, Australia and North America markets with expected around grow rate of 10% to 15% yearly.

Question 8 – Noted that the Company has General Mandate for Interested Person Transaction (“IPT”) and would like to understand how to determine the margin given that Wolong is the parent company also the major supplier?

The Chairman responded that even though Wolong is their parent company, the Company have implemented review and approval procedures. The Company will obtain quotation from Wolong and other unrelated third-party providers to determine if the price and terms offered by Wolong are fair and reasonable. The Company would buy from other unrelated third-parties if their price and terms offered are more favourable, which they have already done so. The CEO further added that the Company has obliged IPT Mandate in a strict manner before the IPT could take place. The team would check the price from two or three other suppliers and ensure the quality and procedural examination has carried thoroughly.

Question 9 – Noted that the Company has mentioned Water and Waste Water (“WWW”) and Asset Management Period 8 (“AMP8”) in United Kingdom (“UK”) which arrives in April 2025 in its Annual Report and would like to understand more of the Company’s strategy on this.

The CEO responded that these are 5 years plan and would be implemented by the UK government and especially targeting the water and wastewater clients and they have Capex in place. Hence, the Company has been engaged in strategic collaboration with OEM’s and a number of clients in WWW industry in UK. The new AMP8 is the eighth asset management period regulated by Ofwat will start in April 2025, the Water Services Regulation Authority in England and Wales. It sets the framework for how water companies manage their assets, deliver services to customers, and invest in infrastructure over a five-year period. Hence, the Company has been engaged in strategic collaboration with OEM’s and end clients in WWW industry in UK. Company is targeting number of end clients through the company distribution and service network that they have initialled their discussion with clients to provide support on this with company’s available stock energy efficient motors and technical experts.

Question 10 – Observed following Ms Chen Yanni appointed as Operations Director for Asia Pacific, Asia Pacific has an impressive growth and would like the management to share if they expect the Asia Pacific continue to grow with prospect on mining, healthcare and other initiatives.

The CEO responded that they were having a good collaboration especially with Ms Chen Yanni be the key person to support them with the supply chain as well as the operation. The Company have formed a good team in Australia and Asia Pacific and with JV being set-up, the business development for Asia Pacific region will be under slightly different business model different approach to maintain resilient attitude toward the market change and customers’ preference. It would be a next step of growth for the Company.

Question 11 – Noted that the compensation plans has been properly adjusted for certain subsidiary overseas following its restructuring in North America and would like to understand whether the cost would be brought down in terms of the sales commission % is relative to the sales.

The CEO clarified that the compensation plans was made to the Brook Crompton Pension Plan for Canada employees. They have employed professional with new technology team and expecting the cost would be brought down but at the same time,

they have invested a pool of human talent. They expect to see the benefit of growth in the coming years.

Question 12 – With reference to the administrative expenses (Page 94 of the Annual Report), the shareholder noted that there is an increase in the audit fee (ie Audit fees to the other independent auditors – non-network firms) and would like to understand the increase of auditors fee.

The CEO responded that the increase of audit fee was due to 1) Canada has changed its auditors from RSM International to MNP LLP due to RSM International is unable to deliver the financial statements within the prescribed timeline last year. Hence, they need to change to new auditors, MNP LLP which they have managed very well and delivered the financial statements within the prescribed timeline this year. 2) Italy and Turkey were new entities within the organization and part of the increase of audit fee was due to audit requirement for these new entities.

Mr Chao Mun Leong further added his investigation on the cost mentioned by the shareholder. By setting up a new entity (eg Australia and Turkey), it has brought additional sales and incurred part of inevitable cost, ie audit fee. He agreed that the Company is operating in a lean cost and they are mindful when they expanding, they would expect increase in revenue and at the same time, operating cost which they are carefully look into it so as to maintain profitability.

Question 13 – With reference to Cashflow Statements (Page 77 of the Annual Report), the shareholder noted that Interest received under Cash flows used in investing activities, amounting to 479 million and would like to understand more.

The FC responded that due to the current high fixed deposit interest, the Company has generated a higher Interest from fixed deposit placement.

Question 14 – With reference to Cashflow statements (Page 77 of the Annual Report), Interest expense under Cash flows from (used in) operating activities, amounting to 97 million, given that the Company is relative cash rich, the shareholder would like to understand more.

The FC responded that the Interest expense incurred is Interest on Lease Liabilities which incurred due to Instrument of Finance Lease. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. A related note on Finance Costs - Interest on Lease Liabilities is on Page 94 of the Annual Report. It was noted that this Interest on Lease Liabilities was recognized due to the change of accounting standard (ie lease accounting standard for lessees).

Question 15 – The Company had pursued some big project with Petronas in Malaysia and would like to know the status of the project?

Mr Chao Mun Leong responded that the project with Petronas has been completed. It is a joint arrangement with Turbo Mech to service Petronas in the event there is project. Turbo Mech was servicing pumps and compressor while the Company was servicing the motor.

Question 16 – The shareholder would like to understand what is value added between purchasing the motor from Wolong and third-party suppliers?

The CEO responded that price competitiveness and lead time were among some of the factors when making decision whether to purchase from Wolong or third party suppliers. She cited example of getting supply from Turkey and it can enjoy a shorter distance to deliver the product to UK or due to customer preference or specification on the product, they need to select the suppliers whom willing to provide a specification modification. The management would look at each opportunity to determine what is best for the business.

Mr Chao Mun Leong responded to the question why Wolong is not labelling their product instead, it is sold under the brand of Brook Crompton. He explained that the Brook Crompton brand has a history of 120 years in market and in the earlier days, Brook Crompton motor became a recognized brand in industry of oil and gas, oil refinery and chemical refineries. Despite the Brook Crompton has shifted from heavy manufacturing to trading company, the value of brand was recognized in nowadays as they own a set of technical specification and certification. Customers would get their approval easily on the vendor list by their customers. Due to this, Brook Crompton has better chance to getting a deal done as well as commanding a slightly better price compared to other brands.

The CEO added that it was also depended on situation and brand was specified on AVL list. Some manufacturers and vendor might not be able supply that, hence some customers have appointed Brook Crompton as their manufacturer due to some specified modification, design and so on. The Company would perform a due diligence work before putting Brook Crompton name on the products.

Question 17 – The shareholder would like to know if there is any technical service agreement has been signed between the Company and Wolong, paying any royalties fee to the Brook Crompton?

Dr Knut Unger responded that Wolong was bound to pay royalties fee when in usage Brook Crompton brand. He restated that was a simple purchase and sales relationship when the project was rolling out.

There being no further questions, the following motion was proposed by the Chairman and seconded by Ms Joyce Ho (Shareholder):-

“RESOLVED That the Audited Financial Statements of the Company for the financial year ended 31 December 2023 and the Directors’ Statement and the Auditors’ Report thereon be and are hereby received and adopted.”

2. DECLARATION OF A FINAL TAX EXEMPT ONE-TIER DIVIDEND

The Chairman informed that the second item of the agenda was to declare a final tax-exempt one-tier dividend of 2.0 Singapore cents per ordinary share for FY2023. The proposed final dividend, if approved by shareholders, would be paid on 30 May 2024.

The Chairman opened the floor for questions. The following was the summary of the question and answer:

Question 1 – The shareholder would like the Company to share the working capital amount is required for the Company to running a business and corporate action to improve the shareholders' value.

The Chairman responded that purpose of reserving the cash is for potential acquisition and this would provide flexibility and strategic advantage and more importantly, it would allow the Company to capitalise on opportunities as they arise.

For the joint venture, they need to set aside S\$2.5 million as costs of investment of joint ventures, which includes cost for setting service stations in Singapore and Malaysia for CAPEX requirement. In addition, they need funds for upgrading the ERP system of the Group.

Mr Chao Mun Leong shared a view that observing the potential risk in Europe in the past few months, the Management is prudent on cash when they saw a small downturn owing to wars expanding to Middle East.

Dr Knut Unger added that the Company was ambitious to grow vertically or horizontally through purchase of factory, develop or design more products or provide a solution to the customers.

Mr Chao Mun Leong thanked the shareholders for their feedback and comments on improving shareholders' value through improve liquidity of the Company's share trading, increasing dividend payment and dividend policy.

The Chairman responded that the Board of Directors will table the proposed dividend payout policy for discussion.

There being no further questions, the following motion was proposed by the Chairman and seconded by Mr Chin Min Kwong (Shareholder):

“RESOLVED That the declaration of a final tax exempt one-tier dividend of 2.0 Singapore cents per ordinary share for the financial year ended 31 December 2023 be and is hereby approved.”

3. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

The Chairman informed that the Directors had recommended the payment of Directors' Fees of up to S\$100,000.00 for the financial year ending 31 December 2024.

There being no questions raised, the motion was proposed by the Chairman and seconded by Ms Joyce Hoe (Shareholder):

“RESOLVED That the payment of Directors' fees of up to S\$100,000 for the financial year ending 31 December 2024 be and is hereby approved.”

4. RETIREMENT OF DR KNUT UNGER AS INDEPENDENT LEAD DIRECTOR PURSUANT TO REGULATION 104 OF THE CONSTITUTION

The Chairman informed that agenda item 4 was to note the retirement of Dr Knut Unger as Independent Lead Director of the Company whom due to retire by rotation, pursuant to Regulation 104 of the Company's Constitution.

Dr Knut Unger had advised the Board that he would not be seeking re-election as a Director of the Company in line with the corporate governance requirements and SGX Listing Requirements, as he has been serving the Company for more than 9 years.

The Chairman, on behalf of the Board, put on record their thanks and appreciation to Dr Knut Unger, for his long service and for all his efforts and contributions during his time of service. Dr Knut Unger was not afraid to challenge the proposal proposed by the management team and was able to provide constructive feedback on the proposals presented to the Board and the Board Committees.

Dr Knut Unger expressed his thanks to the Board and appreciated and grateful for the opportunities. It was at times a rough ride and he has gone a long way with the Company. He wished all the best to the Company going forward.

5. RE-APPOINTMENT OF AUDITORS

The Chairman informed that agenda item 5 was to re-appoint auditors. The meeting was informed that the retiring auditors, RSM SG Assurance LLP had expressed their willingness to accept re-appointment as auditors of the Company for the financial year ending 31 December 2024.

There being no questions raised, the motion was proposed by the Chairman and seconded by Mr Joyce Hoe (Shareholder).

RESOLVED That RSM SG Assurance LLP be and is hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

6. OTHER BUSINESS

The Secretary confirmed that no notice was received for transacting of any other business at this Meeting. Chairman moved on with the Special Business to be transacted at the Meeting.

7. RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

The Chairman informed that he was deemed to be an interested person for the Interested Person Transactions described in the general mandate and hence he would like to pass the Chair to Mr Chao.

Mr Chao took over the Chair and informed the Meeting that agenda item 7 was to seek shareholders' approval on the Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions as set out in the Letter to Shareholders dated 05 April 2024 of the Annual Report.

Mr Chao informed the Meeting that ATB Austria Antriebstechnik AG, Wolong Holding Group Co. Ltd and their respective associates, by virtue of their interest in the interested person transactions would have to abstain from voting on the said motion.

There being no questions raised for this agenda item, the following motion was proposed by Mr Chao and seconded by Mr Chin Min Kwong (Shareholder):

“That :

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“Chapter 9”) of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in the Appendix to the Company’s letter to shareholders dated 5 April 2024 (the “Letter”), with any party who is of the Classes of Interested Persons described in the Appendix to the Letter, provided that such transactions are carried out in the ordinary course of business and on normal commercial terms and in accordance with the guidelines and review procedures for Interested Person Transactions as set out in the Appendix to the Letter (the “General Mandate”);
- (b) such General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the General Mandate and/or this resolution”.

Mr Chao then returned the proceedings of the Meeting to the Chairman.

8. CONDUCT OF THE POLL

As all the resolutions set forth at this Meeting had been duly proposed and seconded, the poll was duly conducted.

The Meeting was adjourned at 3.20pm for refreshment while the votes were being counted.

9. DECLARATION OF POLL RESULTS

The Meeting resumed at 3.54pm when the poll results were handed to the Chairman. Chairman then proceeded to declare the poll results:-

Resolution No. 1

Total number of shares represented by votes for and against the relevant resolution	For		Against	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
24,148,656	24,144,656	99.9834%	4,000	0.0166%

Resolution No. 2

Total number of shares represented by votes for and against the relevant resolution	For		Against	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
24,148,656	24,144,656	99.9834%	4,000	0.0166%

Resolution No. 3

Total number of shares represented by votes for and against the relevant resolution	For		Against	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
24,138,656	24,133,906	99.9803%	4,750	0.0197%

Resolution No. 4

Total number of shares represented by votes for and against the relevant resolution	For		Against	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
24,148,656	24,144,056	99.9810%	4,600	0.0190%

Resolution No. 5

Total number of shares represented by votes for and against the relevant resolution	For		Against	
	Number of shares	As a percentage of total number of votes for	Number of shares	As a percentage of total number of votes for

		and against the resolution (%)		and against the resolution (%)
2,446,119	2,441,519	99.8119%	4,600	0.1881%

Based on the poll results, the Chairman declared Resolution 1 to 5 are carried.

CONCLUSION

There being no other business, Chairman declared the Meeting closed at 3.55 p.m.

Signed as a correct record of proceedings

PANG XINYUAN
Chairman of the Meeting