

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

	Note	Group		Change + / (-) %
		6 months ended		
		30 Jun 22	30 Jun 21	
		S\$'000	S\$'000	
Revenue		30,466	23,587	29.2
Cost of sales		(21,314)	(16,573)	28.6
Gross profit		9,152	7,014	30.5
Other income	6	387	442	(12.4)
Expenses:-	6			
- Distribution and marketing		(4,229)	(2,962)	42.8
- Administrative		(2,327)	(1,817)	28.1
- Net finance expenses		(22)	(38)	(42.1)
- Others		(427)	(455)	(6.2)
		(7,005)	(5,272)	32.9
Profit before income tax	6	2,534	2,184	16.0
Income tax expense	7	(725)	(306)	136.9
Profit for the financial period representing profit attributable to owners of the Company		1,809	1,878	(3.7)
Profit for the financial period		1,809	1,878	
Other comprehensive income				
<i>Items that are or may be reclassified subsequent to profit or loss:</i>				
Exchange difference on translation of foreign operations net of tax		(382)	808	
Other comprehensive income for the financial period, net of tax		(382)	808	
Total comprehensive income for the financial period, representing total comprehensive income attributable to owners of the Company		1,427	2,686	
Profit attributable to:-				
Owners of the Company		1,809	1,878	
Total comprehensive income attributable to:				
Owners of the Company		1,427	2,686	
Earnings per share for profit for the period attributable owners of the Company during the period:-				
Basic (SGD in cent)		5.10	5.30	
Diluted (SGD in cent)		5.10	5.30	

B. Condensed Interim Statements of Financial Position

	Note	Group 30 Jun 22 S\$'000	Group 31 Dec 21 S\$'000	Company 30 Jun 22 S\$'000	Company 31 Dec 21 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		20,526	21,233	1,688	2,888
Trade and other receivables		16,252	13,614	6,498	5,895
Prepayments		592	377	74	8
Inventories		22,576	16,867	-	-
Finance lease receivables		81	76	-	-
Total current assets		60,027	52,167	8,260	8,791
Non-current assets					
Subsidiaries		-	-	19,137	19,137
Property, plant and equipment	9	4,433	4,795	90	133
Intangible assets		47	12	9	12
Finance lease receivables		-	40	-	-
Total non-current assets		4,480	4,847	19,236	19,282
Total assets		64,507	57,014	27,496	28,073
LIABILITIES					
Current liabilities					
Trade and other payables		20,400	13,092	145	232
Current tax liabilities		961	945	-	3
Provision for warranty		46	64	-	-
Lease liabilities		545	724	43	85
Total current liabilities		21,952	14,825	188	320
Non-current liabilities					
Retirement benefit obligations		353	347	-	-
Lease liabilities		2,037	2,395	52	52
Total non-current liabilities		2,390	2,742	52	52
Total liabilities		24,342	17,567	240	372
NET ASSETS		40,165	39,447	27,256	27,701
EQUITY					
Capital and reserves attributable to Company's equity holders					
Share capital	10	149,642	149,642	149,642	149,642
Other reserves		16,344	16,726	18,650	18,650
Accumulated losses		(125,821)	(126,921)	(141,036)	(140,591)
Total equity		40,165	39,447	27,256	27,701

C. Condensed Interim Statements of Changes in Equity

	Share Capital <u>Reserve</u> S\$'000	Capital <u>Reserve</u> S\$'000	Foreign Currency Translation <u>Reserve</u> S\$'000	Accumulated <u>losses</u> S\$'000	<u>Total</u> S\$'000
<u>The Group</u>					
Balance at 1 January 2022	149,642	18,650	(1,924)	(126,921)	39,447
Total comprehensive income for the financial period	-	-	-	1,809	1,809
Dividend paid	-	-	-	(709)	(709)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	(382)	-	(382)
Balance at 30 June 2022	<u>149,642</u>	<u>18,650</u>	<u>(2,306)</u>	<u>(125,821)</u>	<u>40,165</u>
Balance at 1 January 2021	149,642	18,650	(1,356)	(130,514)	36,422
Total comprehensive income for the financial period	-	-	-	1,878	1,878
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	808	-	808
Balance at 30 June 2021	<u>149,642</u>	<u>18,650</u>	<u>(548)</u>	<u>(128,636)</u>	<u>39,108</u>
<u>The Company</u>					
	Share Capital <u>Reserve</u> S\$'000	Capital <u>Reserve</u> S\$'000	Accumulated <u>losses</u> S\$'000	<u>Total</u> S\$'000	
Balance at 1 January 2022	149,642	18,650	(140,591)	27,701	
Total comprehensive income for the financial period	-	-	264	264	
Dividend paid	-	-	(709)	(709)	
Balance at 30 June 2022	<u>149,642</u>	<u>18,650</u>	<u>(141,036)</u>	<u>27,256</u>	
Balance at 1 January 2021	149,642	18,650	(136,785)	31,507	
Total comprehensive income for the financial period	-	-	251	251	
Balance at 30 June 2021	<u>149,642</u>	<u>18,650</u>	<u>(136,534)</u>	<u>31,758</u>	

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D. Condensed Interim Consolidated Statement of Cash Flows

	The Group	
	6 months ended 30 Jun 22 S\$'000	6 months ended 30 Jun 21 S\$'000
Cash flows from operating activities		
Profit for the financial period	1,809	1,878
Adjustments for:		
Income tax expense	725	306
Depreciation and amortisation	408	426
Retirement benefit plan expense	73	122
Finance costs on lease liabilities	30	43
Finance income on lease receivables	(2)	(4)
Interest income	(6)	(1)
Reversal of impairment of trade receivables	(61)	-
Impairment of inventories	265	182
Provision made for warranty	(5)	(1)
Net foreign exchange loss/(gain)	199	(263)
Operating profit before working capital changes	<u>3,435</u>	<u>2,688</u>
Changes in operating assets and liabilities		
Inventories	(6,384)	597
Trade and other receivables	(3,844)	(457)
Prepayments	(210)	23
Trade and other payables	7,651	520
Provision for warranty	(14)	-
Cash generated from operations	<u>634</u>	<u>3,371</u>
Income tax paid	(701)	(84)
Retirement benefit contribution paid	(73)	(122)
Net cash (used in)/ from operating activities	<u>(140)</u>	<u>3,165</u>
Cash flows from investing activities		
Interest received	8	5
Acquisition of property, plant and equipment	(154)	(25)
Acquisition of intangible assets	(45)	-
Net cash used in investing activities	<u>(191)</u>	<u>(20)</u>
Cash flows from financing activities		
Repayment of obligations under leases	(359)	(416)
Proceed from finance lease receivables	40	-
Dividends paid	(709)	-
Interest paid	(30)	(43)
Net cash used in financing activities	<u>(1,058)</u>	<u>(459)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,389)</u>	<u>2,686</u>
Beginning of financial period	<u>21,233</u>	<u>19,279</u>
Effects of exchange rate changes on cash and cash equivalents	682	462
End of financial period	<u><u>20,526</u></u>	<u><u>22,427</u></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 2022 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 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. 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 2021.

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 2021.

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:

- Impairment of investment in subsidiaries
- Income tax amount
- Valuation of inventories
- Loss allowance on trade receivables

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:

- Asia Pacific
- United Kingdom
- North America

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 S\$'000	North America S\$'000	Asia Pacific S\$'000	Corporate S\$'000	Consolidated S\$'000
1 January 2022 to 30 June 2022					
<u>Revenue</u>					
Total segment revenue	16,221	14,424	1,484	-	32,129
Inter-segment revenue	(24)	(1,639)	-	-	(1,663)
Revenue from external parties	16,197	12,784	1,484	-	30,466
<u>Other income</u>					
Administrative fee income	3	-	-	80	83
License fee income	208	-	-	-	208
Rental income	23	-	-	-	23
Miscellaneous income	63	8	-	2	73
Total other income	297	8	-	82	387
Total revenue and other income	16,494	12,792	1,484	82	30,853
Segment results	1,847	1,912	(174)	(294)	3,291
Interest income	6	2	-	-	8
Interest expense	(22)	(5)	-	(3)	(30)
Depreciation and amortisation	(234)	(126)	(3)	(46)	(408)
Reversal of impairment of third party trade receivables	(61)	-	-	-	(61)
Impairment on inventories	-	(265)	-	-	(265)
Profit before taxation	1,537	1,518	(177)	(344)	2,534
Taxation	(311)	(413)	-	-	(725)
Earnings for the interim period	1,225	1,105	(177)	(344)	1,809
Segment assets	33,610	25,934	2,989	1,975	64,507
Total assets per statement of financial position	33,610	25,934	2,989	1,975	64,507
Expenditures for segment non-current assets					
- Additions to property, plant and equipments	97	7	50	-	154
- Additions to intangible assets	45	-	-	-	45
Segment liabilities	13,204	9,223	687	268	23,382
Current income tax liabilities	689	269	3	-	961
Total liabilities per statement of financial position	13,893	9,492	690	268	24,342

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4.1. Reportable segments (Continued)

	United Kingdom S\$'000	North America S\$'000	Asia Pacific S\$'000	Corporate S\$'000	Consolidated S\$'000
1 January 2021 to 30 June 2021					
<u>Revenue</u>					
Total segment revenue	13,228	10,424	1,129	-	24,782
Inter-segment revenue	(2)	(1,192)	-	-	(1,194)
Revenue from external parties	13,226	9,232	1,129	-	23,587
<u>Other income</u>					
Administrative fee income	4	8	-	75	87
License fee income	205	-	-	-	205
Rental income	24	-	-	-	24
Miscellaneous income	51	63	-	12	126
Total other income	284	71	-	87	442
Total revenue and other income	13,510	9,303	1,129	87	24,030
Segment results	1,715	1,267	(30)	(123)	2,830
Interest income	-	4	-	1	5
Interest expense	(27)	(11)	-	(5)	(43)
Depreciation and amortisation	(262)	(116)	(2)	(46)	(426)
Reversal write-down of inventories, net	(92)	(23)	(66)	-	(182)
Profit before taxation	1,334	1,121	(98)	(174)	2,184
Taxation	(244)	(56)	-	(6)	(306)
Earnings for the interim period	1,090	1,065	(98)	(180)	1,878
Segment assets	29,794	20,718	(6,412)	12,620	56,720
Deferred income tax assets	-	401	-	-	401
Total assets per statement of financial position	29,794	20,317	(6,412)	12,620	56,320
Expenditures for segment non-current assets					
- Additions to property, plant and equipments	11	14	-	-	25
Segment liabilities	8,889	6,609	502	297	16,298
Current income tax liabilities	716	197	-	-	913
Total liabilities per statement of financial position	9,605	6,807	502	297	17,212

4.2. Disaggregation of Revenue

	Group			
	6 months ended 30 June 2022			
	United Kingdom S\$'000	North America S\$'000	Asia Pacific S\$'000	Total S\$'000
<u>Types of goods:</u>				
Electric motors	16,197	12,784	1,484	30,466
<u>Timing of transfer of goods:</u>				
Point in time	16,197	12,784	1,484	30,466

4.2. Disaggregation of Revenue (Continued)

	Group			
	6 months ended 30 June 2021			
	United Kingdom	North America	Asia Pacific	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Types of goods:</u>				
Electric motors	13,226	9,232	1,129	23,587
<u>Timing of transfer of goods:</u>				
Point in time	13,226	9,232	1,129	23,587

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 2022 and 31 December 2021:

	The Group		The Company	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Trade and other receivables	16,252	13,614	6,498	5,895
Cash and cash equivalents	20,526	21,233	1,688	2,888
Finance lease receivables	81	116	-	-
Financial assets at amortised costs	36,859	34,963	8,186	8,783
Financial Liabilities				
Trade and other payables	(20,400)	(13,092)	(145)	(232)
Finance lease liabilities	(2,582)	(3,119)	(95)	(137)
Financial liabilities at amortised costs	(22,982)	(16,211)	(240)	(369)

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.

The fair value of non-current finance lease receivables approximates to its carrying amount as at financial period.

6. Profit before taxation

6.1. Significant items

(i) Other Income

	Group	
	6 months ended	
	30-Jun-22	30-Jun-21
	S\$'000	S\$'000
Administrative fee income	83	87
License fee income	208	205
Rental income	23	24
Miscellaneous income	73	126
	387	442

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6. Profit before taxation (Continued)	Group	
	6 months ended	
	30-Jun-22	30-Jun-21
	S\$'000	S\$'000
6.1. Significant items (Continued)		
(ii) Net finance expenses		
Finance lease expenses	30	43
Finance income on placement of fixed deposits	(6)	(1)
Finance lease income	(2)	(4)
	<u>(8)</u>	<u>(5)</u>
Net finance expenses	<u>22</u>	<u>38</u>
(iii) Expenses		
Depreciation of property, plant and equipment	408	426
Impairment of inventories	265	182
Reversal of impairment of third party trade receivables	(61)	-
Foreign exchange gain, net	<u>(72)</u>	<u>(10)</u>

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-22	30-Jun-21
	S\$'000	
Current income tax expense	722	283
Deferred income tax expense relating to origination and reversal of temporary differences	3	23
	<u>725</u>	<u>306</u>

8. Net Asset Value

	Group		Company	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	S\$	S\$	S\$	S\$
Net asset value per ordinary share	<u>113.3</u>	<u>111.2</u>	<u>76.9</u>	<u>78.1</u>

9. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to S\$154,000 (30 June 2021: S\$25,000) and no disposal of assets in the financial period.

10. Share Capital

	The Group and the Company			
	30 June 2022		31 December 2021	
	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 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

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. 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 2022 and 31 December 2021.

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 2022 and 31 December 2021, the Company's issued ordinary shares were 35,458,818. The Company did not have any treasury shares as at 30 June 2022 and 31 December 2021.

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 2021 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 2022 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 22	30 Jun 21
Cents	Cents
5.10	5.30
5.10	5.30

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 2022	31 Dec 2021	30 June 2022	31 Dec 2021
Cents	Cents	Cents	Cents
113.3	111.2	76.9	78.1
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 2022 ("2022")

Cumulative sales for 6 months in 2022 is S\$30.5 million, increase by 29.2% as compared to the corresponding preceding 2021 sales of S\$23.6 million. This is mainly due to sales increase in United Kingdom market and North America market in the post-COVID-19 recovery stage, more business opportunities in respective region. Gross profit in 2022 is slightly higher as compared to 2021, resulted from the higher sales margin contributed from North America market.

Other income for 6 months in 2022 is much lower as compared to 2021 mainly due lower miscellaneous income and administrative fee income reimbursed from related companies for cost sharing in Brook Crompton North America.

Cumulative overall expenses for 6 months in 2022 increase by 32.9% to S\$7.0 million as compared to S\$5.3 million in 2021. The distribution and marketing and administrative expenses are increased as compared to 2021, mainly due to increase in sales commission and transportation costs which align with the increase in sales during the financial period. Besides, additional business development costs incurred for new business in Australia and Italy in 2022.

Net finance expenses for 6 months in 2022 is slightly lower as compared to 2021, mainly due to lower finance costs on lease liabilities.

As a result of the above, profit before income tax increase by 16% to S\$2.5 million and EBITDA (earnings before interest, tax, depreciation and amortisation) increase to S\$2.9 million in 2022 from S\$2.5 million in 2021. The increase in profit before tax and EBITDA mainly due to increase in sales contribution during the financial period. Income tax expense in 2022 is much higher as compared to 2021, due to fully utilised of tax losses in BC United States ("BCUSA") and tax provisional needed for profitable company.

Condensed Interim Statement of Financial Position

Slight increase in net assets to S\$40.2 million as compared to year ended 2021's S\$39.4 million, after taking in the profit for the financial period of S\$1.8 million.

Trade and other receivables increased by 19.4% to S\$16.2 million from prior year of S\$13.6 million, resulted from sales picking up in last few months of the financial period and slow payment made by customers. As at 30 June 2022, only 5% of overall trade receivables are past due more than 180 days and 3% of overall trade receivables are past due 91 – 180 days, after management has performed an assessment of the estimated the future cash flows of the debts and determined expected credit losses.

Inventories increased by 33.8% to S\$22.6 million from S\$16.9 million as at 30 June 2022, the increase mainly due to supply chain problem, additional buffer stocks have to maintain in warehouse of respective region to meet the demand of the customers. Besides, there was a new Italy warehouse established in 2022 to support distribution business of BC United Kingdom ("BCUK") in EMEA region after Brexit.

Total liabilities have increased by 38% mainly due to increase of current liabilities from S\$14.8 million prior year to S\$21.9 million as at 30 June 2022. The increase mainly due increased in trade payables, resulted from slow payment made to suppliers, due to longer shipment time from Factory, most of the goods shipped by factory have yet to be received and unable to settle the payment to suppliers. These are mainly relate to sales orders under ex-works incoterms. Overdue invoices that relate to goods in transits have yet to be settled. However, non-current liabilities have decreased by 13% mainly due to lower lease liabilities, as repayment of obligation under leases during the financial period.

Condensed Interim Consolidated Statement of Cash Flows

Net cash used in operating activities is S\$0.1 million in 6 months ended, 30 June 2022 as compared to net cash generated from operating activities of S\$3.2 million in 6 months ended, 30 June 2021. This is mainly due to higher stocks investment and slow collection from customers.

Net cash used in financing activities in 6 months ended, 30 June 2022 is higher as compared to prior year due to more acquisition of property, plant and equipment in the new business region. In 2022, most of the payment made in financing activities are related to repayment of obligations under leases and dividend payment.

Net cash position stand at S\$20.5 million as at 30 June 2022 and net cash position as at 30 June 2021 is S\$22.4 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.

As COVID-19 restrictions have been lifted in most areas of the world, the Group was able to increase its revenue in the first 6 months of 2022 increased by 29.2% against the same period in 2021. Gross profit increased by 30.5% accordingly, however an increase income tax burden has resulted in a reduction by 3.7% in the net profit for the period attributable to the owners of the Company.

Part of this revenue increase is attributed to the acquisition of a distribution business in Reggio Emilia, Italy, however the UK, Canadian and USA business are showing core growth.

Whilst the recently establish entity in Australia has yet to show its full potential in revenue, partly due to supply chain challengers, it now has a well established position in the market with an order book through to March 2023 and the impact of the increased demand for Australian coal and gas sets an optimistic position as inventory levels reach the level to service the market demands.

The additional costs incurred throughout 2021 continued into 2022, resulting in a depressed gross sales margin % on certain products at certain customers. These additional cost impacts are generated as a result of increased raw material costs, increased costs in transport from suppliers to our warehouses, increased onward distribution cost, and increased operating costs in the Group's sites largely linked to the rising costs of utilities. In the 2nd half of 2022 it is expected that a general fall in the container rates and raw material costs, particularly copper and cold rolled steel, will give some balance to the expected continuing increase in utility and fuel costs, and labour rates driven by high inflation rates in the UK, USA and Canada.

Continued expansion of the project related business in the Caspian Region, and the appointment of a dynamic distribution partner in North Africa is expected to give further opportunities for growth in the second half of 2022, while the alleviation of supply chain bottlenecks for Canada and the USA will open the door at a wider range of customers.

The war in the Ukraine, whilst not directly impacting the Group, brings continued concerns due to the instability in the geopolitical situation. As it appears that a rapid solution to the war is unlikely, the Group will continue to remain vigilant with regard to observation of the legal requirements and sanctions.

As we move into the 2nd half of 2022, the supply chain from China can still be disrupted as a result of the "zero COVID" policy, but the Group believes that it has a diverse enough supply chain to continue to manage any emerging scenarios. The Group looks forward to growth in the second half of 2022 and would like to take the opportunity, as usual. To send its thanks to this shareholders, employees and Directors for their support and looks forward to the second half of the year.

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 2022, 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 22 S\$'000	30 Jun 21 S\$'000	6 months ended 30 Jun 22 S\$'000	30 Jun 21 S\$'000
<u>Purchase transactions</u>					
Wolong Electric Group Co Ltd	Associates of Controlling shareholder	-	-	2,295	5,602
Wolong Electric (Vietnam) Company Limited		-	-	5,352	2,053
Wolong Americas LLC		-	-	239	335
ATB Tamel S.A		-	-	5,774	4,846
ATB UK Group		-	-	140	105
ATB Schorch		-	-	-	267
ATB Nordenham GmbH		-	-	441	141
ATB Welzheim		-	-	444	278
AT Sever A.D.		-	-	429	202
			-	-	15,114

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 2022 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, 11 Aug 2022