

BROOK CROMPTON HOLDINGS LTD.

(Company Registration No. 194700172G)
(Incorporated in the Republic of Singapore)

RESPONSES TO SGX QUERIES ON THE UNAUDITED FINANCIAL RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

Brook Crompton Holdings Limited (the “Company”) refers to its announcement dated 7 November 2019 on the “Unaudited Financial Statements for the Third Quarter Ended 30 September 2019” and wishes to provide the following clarifications in response to queries received from the Singapore Exchange Trading Limited (the “SGX”) on 14 November 2019.

SGX’s queries:

1. With reference to the unaudited results for the period ended 30 September 2019, please provide explanations for the decrease in borrowings (current) from \$1,083,000 for the year ended 31 December 2018 to \$391,000 for the period ended 30 September 2019.

Company’s response:

Decrease in borrowings (current) from \$1,083,000 for the year ended 31 December 2018 to \$391,000 for the period ended 30 September 2019, mainly due to better cash flow position in BC North America with lower drawdown of bank overdrafts as at 30 September 2019.

2. Please disclose the breakdown of trade and other receivables for the current period and as at 31 December 2018, as well as the ageing of the Group’s trade and other receivables of \$11,006,000 as at 30 September 2019. Please provide the Board’s assessment on the recoverability of the Group’s trade and other receivables, as well as the basis for such an assessment.

Company’s response:

The breakdown of Group’s trade and other receivables as at 30 September 2019 and 31 December 2018 as below:

	30 Sept 2019 S\$’000	31 Dec 2018 S\$’000
Trade receivables		
- third parties	10,625	8,979
- related corporations	66	40
	10,691	9,019
Non-trade amounts due from		
- third parties	79	32
- related corporations	236	235
	315	267
	11,006	9,286

The aging of the Group's trade and other receivables as at 30 September 2019 and 31 December 2018 as below:-

	30 Sept 2019 S\$'000	31 Dec 2018 S\$'000
<u>Group</u>		
Not past due	7,210	5,036
Past due 1 – 90 days	2,963	3,528
Past due 91 – 180 days	407	339
Past due more than 180 days	426	383
	<u>11,006</u>	<u>9,286</u>

The Group has applied the simplified approach in accordance with SFRS(I) 9 to measure the loss allowance of trade receivables using lifetime Expected Credit Loss (“ECL”). The Group determines the ECL based on historical credit loss experience and past due status of the receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Group has measured the ECL on the trade receivables to be insignificant.

3. It is stated on page 9 of the Company's results announcement: - “No dividends are proposed for the period ended 30 September 2019.” Paragraph 12 of Appendix 7.2 of the SGX-ST Listing Manual on Financial Statements and Dividend Announcement states: - “If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.” As such, please provide the reason(s) why no dividend has been declared/recommended for the current period reported on.

Company's response:

No dividends are proposed for the period ended 30 September 2019, as it is not the Group's usual practice to declare interim dividends. The dividend payment of S\$709,000 was the final dividend declared in respect of FY2018, which was approved at the Company's AGM in April 2019 and was paid in May 2019. Hence, the dividend payment was included in the Consolidated Statement of Cash Flows for the nine months ended 30 September 2019

On behalf of the Board

BROOK CROMPTON HOLDINGS LTD.

Pang Xinyuan
Chairman and Director
15 November 2019