

# BROOK CROMPTON HOLDINGS LTD.

(the “Company”)

(Co. Reg. No. 194700172G)

(Incorporated in the Republic of Singapore)

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## PROPOSED CHANGE OF AUDITORS

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### 1. INTRODUCTION

The board of directors (the “**Board**”) of Brook Crompton Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to change the current auditors of the Company, BDO LLP (“**BDO**”), to RSM Chio Lim LLP (“**RSM**”) in respect of the current financial year ending 31 December 2021 (“**FY2021**”) (the “**Proposed Change of Auditors**”).

### 2. PROPOSED CHANGE OF AUDITORS

- 2.1 The current auditors of the Company, BDO, were reappointed at the last annual general meeting (“**AGM**”) of the Company held on 29 April 2021 to hold office until the conclusion of the next AGM of the Company. BDO has served as the Company’s auditors since November 2016, for the financial year ended 31 December 2016.
- 2.2 As at the date of this announcement, ATB Austria Antriebstechnik AG (“**ATB**”) is a controlling shareholder of the Company with direct interest in approximately 66.10% of the entire issued and paid-up capital of the Company. ATB is also an indirect wholly-owned subsidiary of Wolong Electric Group Co., Ltd. (“**Wolong**”). As Wolong has ceased its engagement of BDO China Shu Lun Pan Certified Public Accountants LLP (“**BDO China**”) as its auditors, the Company has received the nomination of RSM, as the proposed new auditors of the Company in place of BDO, as it is more efficient from a reporting perspective for the Group to engage auditors from the same member firm as the auditors of Wolong. The scope of audit services to be provided by RSM will be comparable to those provided by BDO. Accordingly, the Proposed Change of Auditors would not result in a reduction of the scope of audit services currently provided by BDO.
- 2.3 The Board, in consultation with the Company’s Audit Committee, is satisfied that (a) RSM and Mr. Eu Chee Wei David, the audit firm and audit partner-in-charge to be appointed, are well suited to meet the existing needs and audit requirements of the Group, and that (b) the quality of the audit is expected to be retained, after taking into considerations, among others, (i) the adequacy of the resources and experience of the auditing firm and the audit partner-in-charge to be assigned to the audit, Mr. Eu Chee Wei David, (ii) other audit engagements of the auditing firm, (iii) the Group’s audit requirements (taking into consideration the size and complexity of the Group’s business and operations) and (iv) the number and experience of supervisory and professional staff to be assigned to the audit. The Company’s Audit Committee also took into consideration the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”) in assessing the suitability of the different audit firms.

- 2.4 In connection with the Proposed Change of Auditors, (a) RSM had, on 20 September 2021, given their written consent to act as auditors of the Company, subject to the approval of the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting to be convened for the Proposed Change of Auditors ("**EGM**"); and (b) BDO had, on 23 September 2021, applied to ACRA to seek its consent to resign as auditors of the Company.
- 2.5 Pursuant to Section 205AB(5) of the Companies Act, Cap. 50 of Singapore (the "**Companies Act**"), the resignation of BDO will take effect on the latest of these dates, (a) on the day on which ACRA notifies BDO and the Company of ACRA's consent to the resignation, (b) on the day fixed by ACRA, or (c) on the day specified by BDO in the notice of resignation.
- 2.6 ACRA had, on 14 October 2021, consented to the resignation of BDO and fixed BDO's resignation date on 14 October 2021. BDO had also on 14 October 2021, provided its notice of resignation to the Company. Accordingly, the resignation of BDO as auditors of the Company took effect on 14 October 2021.
- 2.7 Pursuant to Rule 712(3) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") and Section 205AF of the Companies Act, the appointment of RSM as auditors of the Company must be specifically approved by Shareholders in a general meeting. The appointment of RSM as auditors of the Company will therefore take effect upon the approval of the same by Shareholders at the EGM, and if appointed, RSM will hold office until the conclusion of the next AGM of the Company.

**The Board would like to take this opportunity to express its appreciation for the past services rendered by BDO.**

### **3. REQUIREMENTS UNDER RULE 1203(5) OF THE LISTING MANUAL**

In accordance with the requirements of Rule 712(3) of the Listing Manual:

- (a) BDO has confirmed by way of its letter dated 15 October 2021 to RSM that it is not aware of any professional reasons why RSM should not accept appointment as the new auditors of the Company;
- (b) the Board confirms that there were no disagreements with BDO on accounting treatments within the last 12 months up to the date of this announcement;
- (c) the Board confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders which has not been disclosed in this announcement and/or the circular to Shareholders to be despatched in due course;
- (d) the reasons for the Proposed Change of Auditors are as disclosed above. The Proposed Change of Auditors is neither due to the dismissal of BDO, or due to BDO declining to stand for election; and

- (e) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of RSM as the new auditors of the Company.

#### **4. CIRCULAR TO SHAREHOLDERS**

The Company will make the necessary arrangements for convening of an EGM to seek Shareholders' approval for the Proposed Change of Auditors. A circular to Shareholders containing, among others, further details on the Proposed Change of Auditors, together with the notice of EGM, will be despatched to Shareholders in due course.

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

Pang Xinyuan  
Non-Executive Chairman

18 October 2021