

BROOK CROMPTON HOLDINGS LTD.

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

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Board of Directors (the “Board”) of Brook Crompton Holdings Ltd (the “Company”, and together with its subsidiaries, collectively the “Group”) refers to the full year financial results announcement of the Group for the financial year ended 31 December 2020 made on 26 February 2021 via SGXNET (“Preliminary Unaudited Results FY2020”).

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), the Board wishes to announce that subsequent to the release of the Preliminary Unaudited Results FY2020 and finalisation of the audit, there were material variances between the Preliminary Unaudited Results FY2020 and Audited Financial Statements for the financial year ended 31 December 2020.

Details and clarifications of the material variances are set out as follows:

Income statements for the year ended 31 December 2020:-

	Note	Group		
		Audited 2020 S\$'000	Unaudited 2020 S\$'000	Variance %
Revenue		44,861	44,611	0.6
Cost of sales		(31,413)	(31,188)	0.7
Gross profit		13,448	13,423	0.2
Other income		1,298	1,301	(0.2)
Distribution and marketing expenses		(6,136)	(6,163)	(0.4)
Administrative expenses		(4,130)	(4,103)	0.7
Impairment on trade receivables	1	(477)	(163)	192.6
Finance expenses		(116)	(107)	8.4
Other expenses		(1,120)	(1,121)	(0.1)
		(11,979)	(11,657)	2.8
Profit before income tax		2,767	3,067	(9.8)
Income tax expenses		(609)	(637)	(4.4)
Profit for the year, representing profit attributable to owners of the Company		2,158	2,430	(11.2)

Statement of Financial Position as at 31 December 2020

	Note	Group		
		Audited	Unaudited	Variance
		31-Dec-20	31-Dec-20	
		S\$'000	S\$'000	%
ASSETS				
Cash and cash equivalents		19,279	19,279	-
Trade and other receivables		11,146	11,093	0.5
Prepayments		202	202	0.0
Inventories		15,896	16,108	(1.3)
Lease receivables	2	68	-	NM
Current assets		46,591	46,682	(0.2)
Property, plant and equipment		5,425	5,301	2.3
Intangible assets		19	19	-
Deferred tax assets		411	411	-
Lease receivables	2	113	-	NM
Non-current assets		5,968	5,731	4.1
Total assets		52,559	52,413	0.3
LIABILITIES				
Trade and other payables		10,186	10,171	0.1
Current tax liabilities		679	707	(4.0)
Provision for warranty		95	95	-
Lease liabilities	2	734	667	10.0
Current liabilities		11,694	11,640	0.5
Retirement benefit obligations		1,414	1,414	-
Lease liabilities	2	3,029	2,905	4.3
Non-current liabilities		4,443	4,319	2.9
Total liabilities		16,137	15,959	1.1
NET ASSETS		36,422	36,454	(0.1)
EQUITY				
Share capital		149,642	149,642	-
Other reserves		17,294	17,062	1.4
Accumulated losses		(130,514)	(130,250)	0.2
Equity attributable to owners of the Company		36,422	36,454	(0.1)

Note:-

1. Additional impairment loss on trade receivables made for trade receivables balances past due more than 180 days, after auditor reviewed the management's assessment of expected credit losses.
2. During the year, the Group has entered into sub-lease agreement. Hence, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sub-lessee and recognises the net investment in the sublease as "Finance lease receivables". Lease liability relating to the head lease is retained in the statements of financial position, which represents the lease payments owed to the head lessor.

ON BEHALF OF THE BOARD

Pang Xinyuan
Non-executive Non-Independent Chairman
14 April 2021