



BROADWAY INDUSTRIAL GROUP LIMITED
(Company Registration Number: 199405266K)
(Incorporated in Singapore)

RECEIPT OF NOTICE OF ARBITRATION

1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Broadway Industrial Group Limited ("**Company**", together with its subsidiaries, the "**Group**") refers to its announcements dated:

- (a) 28 May 2020, 22 November 2020, 24 November 2020, 31 December 2020 and 16 June 2021, in relation to the proposed disposal of the HDD Business of the Group (the "**Proposed Disposal**"); and
- (b) 1 July 2021 and 12 July 2021, in relation to the termination of the Asset and Share Purchase Agreement relating to the Proposed Disposal dated 31 December 2020 (the "**SPA**") entered into between (i) the Company and its wholly-owned subsidiaries, BIGL Asia Pte. Ltd. ("**BIGL Asia**") and BIGL Technologies (Shenzhen) Co., Ltd. ("**BIGL Shenzhen**") (BIGL Asia and BIGL Shenzhen, collectively, the "**Sellers**"); and (ii) Suzhou Gefan Hardware And Plastic Industrial Co., Ltd. (the "**Purchaser**") and Seksun Technology (Suzhou) Co., Ltd ("**Seksun**"), in accordance with the terms of the SPA,

(collectively, the "**Announcements**").

Unless defined otherwise, all capitalised terms used but not defined in this announcement shall have the meanings ascribed to them in the Announcements.

2. NOTICE OF ARBITRATION

- 2.1. The Board wishes to inform Shareholders that the Company's subsidiary, BIGL Shenzhen, had, on 10 October 2021 received a notice of arbitration dated 8 October 2021 (the "**Notice of Arbitration**") from the China International Economic and Trade Arbitration Commission ("**CIETAC**") in respect of arbitration raised by the Purchaser and Seksun (collectively, the "**Claimants**") against the Sellers and the Company (collectively, the "**Respondents**") (the "**Arbitration**").
- 2.2. The Claimants have alleged that they have suffered severe losses due to the Respondents' alleged breach of the SPA ("**Allegations**").
- 2.3. In connection with the Allegations, the Claimants have, *inter alia*, sought for the following relief from the arbitral tribunal:
 - (a) an order that the Sellers pay the Purchaser a break fee in the amount of USD 2,500,000 pursuant to the SPA;
 - (b) an order that the Sellers compensate the costs incurred by the Claimants for the SPA. The amount of such costs being preliminary assessed at RMB 5,955,000;



- (c) an order that the Sellers compensate the Purchaser for its expectation damages (with the specific amount to be assessed at a later stage);
- (d) an order that the Sellers compensate other expenses incurred by the Claimants for the SPA in the amount of RMB 2,926,720.51 plus USD 63,213.58;
- (e) an order that the Company bear joint and several liability for the payment obligations of the Sellers under the foregoing claims specified in paragraphs (a) to (d) above;
- (f) an order that the Respondents jointly compensate the Claimants for the legal fees, application fees for asset preservation and premium of asset preservation liability insurance incurred for the Arbitration (with the specific amount to be assessed at a later stage); and
- (g) an order that the Respondents jointly bear the cost of the Arbitration (being the arbitration fee of RMB 437,610 paid by the Claimants to CIETAC).

3. GENERAL

- 3.1. The Company is in consultation with its advisors to assess the potential financial impact to the Group arising from the Allegations and is seeking advice from its legal counsel on the Allegations and the Arbitration. The Board and the Company are of the view that the Allegations have no merit and intend to defend the Allegations vigorously.
- 3.2. The Company will make further announcements to update its Shareholders when there are material updates in respect of the matter. Shareholders are advised to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Broadway Industrial Group Limited

12 October 2021