



BROADWAY INDUSTRIAL GROUP LIMITED
(Company Registration No. 199405266K)
(Incorporated in Singapore)

THE PROPOSED ACQUISITION OF 51% OF THE TOTAL EQUITY INTERESTS IN SHENZHEN ZHUOLUOYU PRECISION TOOL CO., LTD. AND ZLY PRECISION TOOL (THAILAND) CO., LTD.

1. THE PROPOSED TRANSACTION

The Board of Directors (the “**Board**”) of Broadway Industrial Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, BIGL Asia Pte. Ltd. (the “**Purchaser**”), has on 5 August 2025 entered into:

- (a) a sale and purchase agreement (the “**ZSZ SPA**”) with the founder of the ZLY Group (as defined below) (the “**Vendor**”) in respect of the acquisition of 51% of the total equity interests (the “**ZSZ Sale Equity Interests**”) in the capital of Shenzhen Zhuoluoyu Precision Tool Co., Ltd. (“**ZSZ**”) (the “**ZSZ Acquisition**”);
- (b) a sale and purchase agreement (the “**ZTH SPA**”, and together with the ZSZ SPA, the “**SPAs**”) with the Vendor in respect of the acquisition of 51% of the total equity interests (the “**ZTH Sale Equity Interests**”) in the capital of ZLY Precision Tool (Thailand) Co., Ltd. (“**ZTH**” and together with ZSZ, the “**ZLY Group**”) (the “**ZTH Acquisition**”); and
- (c) an agreement with the Vendor and the co-founder of the ZLY Group (the “**Co-Founder**”, together with the Vendor, the “**Remaining Shareholders**”), in respect of the Earn-out Payment (as defined below), pursuant to a letter issued by the Company to the Remaining Shareholders (the “**Earn-out Letter**”),

(the ZSZ Acquisition, the ZTH Acquisition and the Earn-out Payment collectively, the “**Proposed Transaction**”).

2. INFORMATION ON ZSZ, ZTH AND THE VENDOR

2.1 ZSZ is a company incorporated in the People’s Republic of China. The main business of ZSZ is manufacturing, assembly and selling of parts and components to manufacturers of standard tools and non-standard customised tools, saw blades and milling cutters, high-speed steel taps and alloy taps. As at the date of this announcement, ZSZ has a registered capital of RMB20 million. Based on the latest audited financial statements of ZSZ for the financial year ended 31 December 2024:

- (a) the aggregate book value of the ZSZ Sale Equity Interests is RMB25.5 million (approximately S\$4.6 million)¹; and
- (b) the aggregate net tangible asset value attributable to the ZSZ Sale Equity Interests is RMB25.0 million (approximately S\$4.5 million).

The open market value of the ZSZ Sale Equity Interests is not available as the ZSZ Sale Equity Interests are not listed or traded on any securities exchange.

¹ The Renminbi amounts in this announcement have been converted into Singapore dollars based on the exchange rate of S\$0.18 per Renminbi (RMB) as set out in the website of the Monetary Authority of Singapore as at 1 August 2025.

2.2 ZTH is a company incorporated in Thailand. The main business of ZTH is manufacturing, assembly and selling of parts and components to manufacturers of standard tools and non-standard customised tools, saw blades and milling cutters, high-speed steel taps and alloy taps. As at the date of this announcement, ZTH has an issued and paid-up share capital of THB50 million comprising 25,000 shares. Based on the latest audited financial statements of ZTH for the financial year ended 31 December 2024:

- (a) the aggregate book value of the ZTH Sale Equity Interests is THB35.1 million (approximately S\$1.4 million)²; and
- (b) the aggregate net tangible asset value attributable to the ZTH Sale Equity Interests is THB35.0 million (approximately S\$1.4 million).

The open market value of the ZTH Sale Equity Interests is not available as the ZTH Sale Equity Interests are not listed or traded on any securities exchange.

2.3 The Vendor is an independent third party and is not related to the Company, its directors and controlling shareholders (as defined in the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited), or their respective associates.

3. PRINCIPAL TERMS OF THE ZSZ ACQUISITION

3.1 Purchase Consideration

Pursuant to the ZSZ SPA, the aggregate value of the consideration for the ZSZ Acquisition is RMB17 million (approximately S\$3.1 million) (the “**ZSZ Consideration**”), which will be satisfied wholly in cash and shall be payable within three (3) business days of the Vendor’s satisfaction of his completion obligations under the ZSZ SPA.

The ZSZ Consideration was arrived at pursuant to arm’s length negotiations between the Vendor and the Purchaser on a willing buyer willing seller basis, after taking into account prevailing market conditions, and the rationale for the Proposed Transaction as disclosed in paragraph 8 below.

3.2 Conditions

Pursuant to the ZSZ SPA, completion under the ZSZ SPA (the “**ZSZ Completion**”) is conditional upon satisfaction of the following conditions:

- (a) all necessary consents, approvals, and waivers (each in form and substance satisfactory to the Purchaser) in respect of, in relation to or in connection with the sale and purchase of the ZSZ Sale Equity Interests (including change in the shareholding, control, or directors of ZSZ), having been obtained, and such consents, approvals and waivers not having been amended or revoked before the ZSZ Completion, provided that where any such consent, approval and waiver is subject to conditions, such conditions shall be satisfactory to the Purchaser;
- (b) no material adverse change (as determined by the Purchaser) in the turnover, profitability, financial or trading position or prospects of ZSZ having occurred between the date of the ZSZ SPA and the ZSZ Completion;
- (c) the Vendor’s warranties being and remaining true, accurate and not misleading in all respects as at the date of the ZSZ SPA and as at the ZSZ Completion; and
- (d) no injunction, interim or otherwise, having been granted in respect of the Vendor, ZSZ or the Purchaser, and no laws having been enacted or proposed, which would prohibit, restrict or delay (i) the Vendor or the Purchaser from entering into or

² The Thai Baht amounts in this announcement have been converted into Singapore dollars based on the exchange rate of S\$0.03954 per Thai Baht (THB) as set out in the website of the Monetary Authority of Singapore as at 1 August 2025.

performing their obligations under the ZSZ SPA; or (ii) the implementation of the transactions contemplated by the ZSZ SPA.

The Vendor shall use reasonable endeavours to ensure the satisfaction of the conditions set out above as soon as reasonably practicable, and in any event, by 31 August 2025 or such later date as the Vendor and the Purchaser may mutually agree in writing.

3.3 Shareholders' Agreement

Upon the ZSZ Completion, the Purchaser and the Co-Founder shall hold 51% and 49% of the total equity interests in ZSZ, respectively. In connection with the ZSZ Acquisition, the Purchaser shall enter into a shareholders' agreement ("**ZSZ Shareholders' Agreement**") with the Co-Founder and ZSZ on the date of the ZSZ Completion. The ZSZ Shareholders' Agreement shall contain provisions relating to the management and governance of ZSZ including without limitation, the constitution of the board of directors, the voting rights of the shareholders and directors, and board and shareholder reserved matters.

4. PRINCIPAL TERMS OF THE ZTH ACQUISITION

4.1 Purchase Consideration

Pursuant to the ZTH SPA, the aggregate value of the consideration for the ZTH Acquisition is RMB16.2 million (approximately S\$2.9 million) (the "**ZTH Consideration**"), which will be satisfied wholly in cash and shall be payable in the following manner:

- (a) RMB5 million shall be paid within three (3) business days of the Vendor's satisfaction of his completion obligations under the ZTH SPA;
- (b) RMB10 million (the "**Deferred Cash Payment**") shall be paid on the date falling three (3) years after the date of completion under the ZTH SPA (the "**ZTH Completion**") (the "**Deferred Cash Payment Date**"); and
- (c) RMB1.2 million, being the interest on the Deferred Cash Payment, which shall be accrued at a rate of 4.0% per annum from the date of the ZTH SPA to the Deferred Cash Payment Date, shall be paid on the Deferred Cash Payment Date.

The ZTH Consideration was arrived at pursuant to arm's length negotiations between the Vendor and the Purchaser on a willing buyer willing seller basis, after taking into account prevailing market conditions, and the rationale for the Proposed Transaction as disclosed in paragraph 7 below.

4.2 Conditions

Pursuant to the ZTH SPA, the ZTH Completion is conditional upon satisfaction of the following conditions:

- (a) all necessary consents, approvals, and waivers (each in form and substance satisfactory to the Purchaser) in respect of, in relation to or in connection with the sale and purchase of the ZTH Sale Equity Interests (including change in the shareholding, control, or directors of ZTH), having been obtained, and such consents, approvals and waivers not having been amended or revoked before the ZTH Completion, provided that where any such consent, approval and waiver is subject to conditions, such conditions shall be satisfactory to the Purchaser;
- (b) no material adverse change (as determined by the Purchaser) in the turnover, profitability, financial or trading position or prospects of ZTH having occurred between the date of the ZTH SPA and the ZTH Completion;
- (c) the Vendor's warranties being and remaining true, accurate and not misleading in all respects as at the date of the ZTH SPA and as at the ZTH Completion; and

- (d) no injunction, interim or otherwise, having been granted in respect of the Vendor, ZTH or the Purchaser, and no laws having been enacted or proposed, which would prohibit, restrict or delay (i) the Vendor or the Purchaser from entering into or performing their obligations under the ZTH SPA; or (ii) the implementation of the transactions contemplated by the ZTH SPA.

The Vendor shall use reasonable endeavours to ensure the satisfaction of the conditions set out above as soon as reasonably practicable, and in any event, by 31 August 2025 or such later date as the Vendor and the Purchaser may mutually agree in writing.

4.3 Shareholders' Agreement

Following the ZTH Completion, the Purchaser and the Vendor shall hold 51% and 49% of the total equity interests in ZTH, respectively. In connection with the ZTH Acquisition, the Purchaser shall enter into a shareholders' agreement ("**ZTH Shareholders' Agreement**") with the Vendor and ZTH on the date of the ZTH Completion. The ZTH Shareholders' Agreement shall contain provisions relating to the management and governance of ZTH including without limitation, the constitution of the board of directors, the voting rights of the shareholders and directors, and board and shareholder reserved matters.

5. COMPLETION

The ZSZ Completion and ZTH Completion shall take place as soon as reasonably practicable following notification of the satisfaction or waiver of the last condition for the ZSZ Completion and ZTH Completion set out in paragraphs 3.2 and 4.2 above, respectively, at such time and date as may be agreed in writing between the Vendor and the Purchaser.

6. EARN-OUT PAYMENT

- 6.1 Pursuant to the Earn-out Letter, the Remaining Shareholders shall be eligible to receive an earn out payment (the "**Earn-out Payment**") of an aggregate amount of up to a maximum limit of RMB10 million, subject to the terms and conditions of the Earn-out Letter.
- 6.2 The Earn-out Letter will take effect only on the date of the ZSZ Completion. If completion under any of the SPAs does not occur or if the SPAs (or any of them) are terminated, the obligations under the Earn-out Letter will terminate with immediate effect and the Earn-out Letter shall cease to be of any further effect.
- 6.3 The Earn-out Payment was arrived at pursuant to arm's length negotiations between the Purchaser and each of the Remaining Shareholders. As the Earn-out Letter is one of the key definitive agreements to the Proposed Transaction and is entered into concurrently with the entry into the SPAs, the Earn-out Payment has been taken into account for purposes of the relative figures for the Proposed Transaction.

7. SOURCE OF FUNDS

The Company intends to fund the Proposed Transaction through the internal resources of the Group.

8. RATIONALE FOR THE PROPOSED TRANSACTION

The Board is of the view that the Proposed Transaction will strengthen the Group's position as a fully integrated manufacturer and complement the Group's core capabilities in precision machining. This strategic acquisition will allow the Group to bring tooling design and production in-house, enabling tighter control over quality, lead times and cost efficiencies across the entire production cycle. By integrating tooling into the Group's value chain, the Company aims to offer end-to-end manufacturing solutions to customers, enhance responsiveness to design changes and accelerate time-to-market for complex components. The Board believes that the Proposed Transaction supports the Company's long-term vision of delivering greater value through vertical integration and operational excellence.

9. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

9.1 Illustrative Nature of Financial Effects

The financial effects of the Proposed Transaction on the net tangible assets (“NTA”) per share and earnings per share (“EPS”) of the Company have been prepared based on the Group’s audited consolidated financial statements for the financial year ended 31 December 2024. The financial effects below are purely for illustrative purposes and are not intended to reflect the actual future financial performance or position of the Group after completion of the Proposed Transaction.

9.2 NTA

Assuming that the Proposed Transaction had been effected on 31 December 2024 (being the end of the most recently completed financial year ended 31 December 2024), the effects on the NTA per share of the Company would be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
NTA (S\$’000)	99,407	93,648
Number of shares (excluding treasury shares) (’000)	457,106	457,106
NTA per ordinary share (Singapore cents)	21.75	20.49

9.3 EPS

Assuming that the Proposed Transaction had been effected on 1 January 2024 (being the beginning of the most recently completed financial year ended 31 December 2024), the effects of the Proposed Transaction on the EPS of the Company would be as follows:

	Before the Proposed Transaction	After the Proposed Transaction
Profit attributable to shareholders (S\$’000)	12,151	12,188
Weighted average no. of ordinary shares – Basic (’000)	454,891	454,891
EPS (Singapore cents) – Basic	2.67	2.68

9.4 Profit on the Proposed Transaction

Based on the most recently audited financial statements for the financial year ended 31 December 2024 as illustrated above, the net profit attributable to the Proposed Transaction was approximately S\$37,000.

9.5 No Material Impact

The Board is of the view that the Proposed Transaction has no material impact on the Company’s financial performance for the financial year ending 31 December 2025.

10. CHAPTER 10 OF THE LISTING MANUAL

10.1 Relative Figures

The relative figures for the Proposed Transaction, assuming an aggregate consideration of RMB43.2 million (approximately S\$7.8 million), comprising the ZSZ Consideration, the ZTH Consideration and the Earn-out Payment (based on the maximum limit of RMB10 million), computed on the bases set out in Rule 1006 of the Listing Manual and based on the Group's latest announced consolidated financial statements, being the audited consolidated financial statements for the financial year ended 31 December 2024, are set out below.

Rule 1006	Bases	Relative Figures (%) ⁽¹⁾
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not Applicable ⁽²⁾
(b)	Net profits attributable to the assets to be acquired, compared with the Group's net profits	0.3 ⁽³⁾
(c)	Aggregate value of the consideration received compared with the market capitalisation of the Company (based on the total number of issued shares, excluding treasury shares)	8.8 ⁽⁴⁾
(d)	Number of equity securities issued by the Company as consideration for the Proposed Transaction, compared with the number of equity securities previously in issue	Not Applicable ⁽⁵⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not Applicable ⁽⁶⁾

Notes:

- (1) Percentage figures are rounded to the nearest one (1) decimal place.
- (2) Not applicable, as the Proposed Transaction does not involve a disposal of assets.
- (3) Based on the net profits attributable to the ZSZ Sale Equity Interests and the ZTH Sale Equity Interests for the financial year ended 31 December 2024 of approximately S\$37,000, compared with the Group's net profit as at 31 December 2024 of approximately S\$12,151,000.
- (4) Based on the aggregate consideration of RMB43.2 million (approximately S\$7.8 million based on the exchange rate of S\$0.18 per RMB), comprising the ZSZ Consideration, the ZTH Consideration and the Earn-out Payment (based on the maximum limit of RMB10 million), compared with the Company's market capitalisation of approximately S\$88.7 million, calculated based on the total number of issued shares (excluding treasury shares) of the Company being 457,106,461 shares, multiplied by the weighted average market price of approximately S\$0.194 per share as at 23 December 2024, being the last market day preceding the suspension of trading of the Company's shares.
- (5) Not applicable, as the Company is not issuing any equity securities as consideration.
- (6) Not applicable, as the Company is not a mineral, oil and gas company.

10.2 Discloseable Transaction

Rule 1010 of the Listing Manual provides that where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20%, the transaction is classified as a discloseable transaction.

As the relative figures for the Proposed Transaction computed under Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Transaction is classified as a discloseable transaction and the Company must, in relation to the Proposed Transaction, immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013 of the Listing Manual, where applicable.

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the Proposed Transaction, otherwise than through their interests in shares of the Company.

12. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Transaction.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the ZSZ SPA, the ZTH SPA and the Earn-out Letter are available for inspection at the registered office of the Company at 54 Serangoon North Avenue 4, #05-02, Singapore 555854, during normal business hours on any weekday for three (3) months from the date of this announcement.

14. CAUTIONARY STATEMENT

Shareholders should note that there is no certainty or assurance that the Proposed Transaction will be completed. Accordingly, shareholders are advised to exercise caution when trading in the shares of the Company. The Company will make the necessary announcements when there are further developments on the Proposed Transaction and other matters contemplated by this announcement. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Broadway Industrial Group Limited

5 August 2025