

**BROADWAY INDUSTRIAL GROUP LIMITED**  
Company Registration No. 199405266K

**Unaudited Condensed Interim Financial Statements**  
For the Six Months Ended 30 June 2024

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**A Condensed interim consolidated statement of profit or loss and other comprehensive Income**

	Note	Group 6 months ended		Change %
		30 Jun 2024	30 Jun 2023 (Re- presented)*	
		S\$'000	S\$'000	
Revenue	4	165,271	126,346	30.8
Cost of sales		(149,570)	(122,225)	22.4
Gross profit		15,701	4,121	281.0
Distribution expenses		(396)	(429)	(7.7)
Administrative expenses		(5,297)	(4,630)	14.4
Sales and marketing expenses		(332)	(356)	(6.7)
Other income	5	1,580	1,242	27.2
Results from operating activities		11,256	(52)	n.m.
Finance income		527	140	276.4
Finance costs		(1,177)	(1,144)	2.9
Net finance costs		(650)	(1,004)	(35.3)
Profit/(Loss) before income tax	6	10,606	(1,056)	n.m.
Income tax expense	7	(2,194)	(54)	n.m.
<b>Profit/(Loss) from continuing operations, net of tax</b>		8,412	(1,110)	n.m.
Loss from discontinued operations, net of tax	4.3	-	(427)	n.m.
<b>Profit/(Loss) for the year</b>		8,412	(1,537)	n.m.
<b>Other comprehensive income/(loss) :</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations, net of tax		2,027	593	241.8
<b>Total comprehensive income/(loss)</b>		10,439	(944)	n.m.
<b>Profit/(Loss) for the period attributable to :</b>				
Owners of the Company		8,745	(1,211)	n.m.
Non-controlling interests		(333)	(326)	2.1
<b>Total comprehensive income/(loss) attributable to :</b>		8,412	(1,537)	n.m.
Owners of the Company		10,772	(748)	n.m.
Non-controlling interests		(333)	(196)	69.9
<b>Total comprehensive income/(loss)</b>		10,439	(944)	n.m.

**Earnings/(Loss) per share for the period attributable to the owners of the Company**

	Note	Group 6 months ended		Change %
		30 Jun 2024	30 Jun 2023	
		Cents	Cents	
Basic	8	1.92	(0.27)	n.m.
Diluted	8	1.92	(0.27)	n.m.

n.m. - not meaningful

\*Re-presented - please refer to Note 4.3. The comparative information has been re-presented due to discontinued operations.

**B Condensed interim statements of financial position**

	Note	Group		Company	
		30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
Property, plant and equipment	11	60,077	61,753	106	147
Right-of-use assets		5,003	5,789	205	307
Investments in subsidiaries		-	-	104,000	104,000
Other assets, non-current		52	52	52	52
<b>Total non-current assets</b>		<b>65,132</b>	<b>67,594</b>	<b>104,363</b>	<b>104,506</b>
Inventories		25,297	21,035	-	-
Trade and other receivables		121,100	73,442	10,472	10,644
Other assets, current		1,385	1,251	-	10
Cash and cash equivalents		29,785	33,901	448	302
<b>Total current assets</b>		<b>177,567</b>	<b>129,629</b>	<b>10,920</b>	<b>10,956</b>
<b>Total assets</b>		<b>242,699</b>	<b>197,223</b>	<b>115,283</b>	<b>115,462</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	12	113,163	113,163	113,163	113,163
Retained earnings/(accumulated losses)		1,071	(4,831)	3,799	4,546
Other reserves		(17,370)	(19,572)	(2,848)	(3,023)
<b>Equity attributable to owners of the Company</b>		<b>96,864</b>	<b>88,760</b>	<b>114,114</b>	<b>114,686</b>
Non-controlling interests		-	102	-	-
<b>Total equity</b>		<b>96,864</b>	<b>88,862</b>	<b>114,114</b>	<b>114,686</b>
<b>Liabilities</b>					
Other liabilities		1,692	1,648	-	-
Lease liabilities, non-current		8,624	5,670	-	93
<b>Total non-current liabilities</b>		<b>10,316</b>	<b>7,318</b>	<b>-</b>	<b>93</b>
Income tax payable		4,581	3,044	5	5
Trade and other payables		121,802	91,498	979	495
Loans and borrowings	13	4,230	3,849	-	-
Lease liabilities, current		4,906	2,652	185	183
<b>Total current liabilities</b>		<b>135,519</b>	<b>101,043</b>	<b>1,169</b>	<b>683</b>
<b>Total liabilities</b>		<b>145,835</b>	<b>108,361</b>	<b>1,169</b>	<b>776</b>
<b>Total equity and liabilities</b>		<b>242,699</b>	<b>197,223</b>	<b>115,283</b>	<b>115,462</b>

**C Condensed interim statements of changes in equity**

The Group	Other reserves					(Accumulated losses)/ retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Share-based payment reserve S\$'000	Translation reserve S\$'000				
<b>Balance at 1 Jan 2024</b>	<b>113,163</b>	<b>(3,043)</b>	<b>2,924</b>	<b>20</b>	<b>(19,473)</b>	<b>(4,831)</b>	<b>88,760</b>	<b>102</b>	<b>88,862</b>
Total comprehensive income for the period	-	-	-	-	2,027	8,745	10,772	(333)	10,439
Acquisition of of a non-controlling interest without a change in control	-	-	-	-	-	(570)	(570)	231	(339)
Share-based payment	-	-	-	175	-	-	175	-	175
Dividend paid	-	-	-	-	-	(2,273)	(2,273)	-	(2,273)
<b>Balance at 30 Jun 2024</b>	<b>113,163</b>	<b>(3,043)</b>	<b>2,924</b>	<b>195</b>	<b>(17,446)</b>	<b>1,071</b>	<b>96,864</b>	<b>-</b>	<b>96,864</b>
<b>Balance at 1 Jan 2023</b>	<b>113,163</b>	<b>(3,043)</b>	<b>2,924</b>	<b>400</b>	<b>(17,953)</b>	<b>(8,316)</b>	<b>87,175</b>	<b>801</b>	<b>87,976</b>
Total comprehensive income/(loss) for the period	-	-	-	-	463	(1,211)	(748)	(196)	(944)
Share-based payment	-	-	-	(143)	-	143	-	-	-
<b>Balance at 30 Jun 2023</b>	<b>113,163</b>	<b>(3,043)</b>	<b>2,924</b>	<b>257</b>	<b>(17,490)</b>	<b>(9,384)</b>	<b>86,427</b>	<b>605</b>	<b>87,032</b>

The Company	Other reserves					Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Share-based payment reserve S\$'000	(Accumulated losses)/ retained earnings S\$'000		
<b>Balance at 1 Jan 2024</b>	<b>113,163</b>	<b>(3,043)</b>	<b>20</b>	<b>4,546</b>	<b>114,686</b>	
Total comprehensive income for the period	-	-	-	1,526	1,526	
Share-based payment	-	-	175	-	175	
Dividend paid	-	-	-	(2,273)	(2,273)	
<b>Balance at 30 Jun 2024</b>	<b>113,163</b>	<b>(3,043)</b>	<b>195</b>	<b>3,799</b>	<b>114,114</b>	
<b>Balance at 1 Jan 2023</b>	<b>113,163</b>	<b>(3,043)</b>	<b>400</b>	<b>4,296</b>	<b>114,816</b>	
Total comprehensive loss for the period	-	-	-	(1,237)	(1,237)	
Share-based payment	-	-	(143)	143	-	
<b>Balance at 30 Jun 2023</b>	<b>113,163</b>	<b>(3,043)</b>	<b>257</b>	<b>3,202</b>	<b>113,579</b>	

**D Condensed interim consolidated statement of cash flows**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun</b>	<b>30 Jun</b>
	<b>2024</b>	<b>2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
<b>Profit/(Loss) before income tax from continuing operations</b>	10,606	(1,056)
<b>Loss before income tax from discontinuing operations</b>	-	(427)
Depreciation of property, plant and equipment	3,897	4,657
Depreciation of right-of-use assets	945	1,049
Equity-settled share-based payment transactions	175	-
Gain/(Loss) on disposal of property, plant and equipment	231	(5)
Interest expense	1,177	1,144
Interest income	(527)	(140)
<b>Operating cash flows before changes in working capital</b>	<u>16,504</u>	<u>5,222</u>
Inventories	(3,621)	10,337
Trade and other receivables	(45,274)	(14,903)
Other assets	(97)	(1,102)
Trade and other payables	27,530	7,480
Other liabilities	(4)	(100)
Net cash flows from operations	(4,962)	6,934
Income tax paid	(753)	(147)
<b>Net cash flows (used in)/from operating activities</b>	<u>(5,715)</u>	<u>6,787</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(810)	(4,067)
Proceeds from disposal of property, plant and equipment	173	180
Transaction with a non-controlling interest of a subsidiary	(337)	-
Interest income received	527	140
<b>Net cash flow used in investing activities</b>	<u>(447)</u>	<u>(3,747)</u>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	539	7,647
Repayment of bank borrowings	(271)	(10,557)
Dividend paid to equity owners	(2,273)	-
Proceeds from leases	10,308	-
Payment of principal portion of lease liabilities	(5,362)	(1,231)
Interest expense paid	(1,177)	(1,144)
<b>Net cash flows from/(used in) financing activities</b>	<u>1,764</u>	<u>(5,285)</u>
<b>Net decrease in cash and cash equivalents</b>	(4,398)	(2,245)
Cash and cash equivalents, beginning balance	33,716	29,360
Effect of exchange rate fluctuations	289	239
<b>Cash and cash equivalents, ending balance (Note A)</b>	<u><b>29,607</b></u>	<u><b>27,354</b></u>
<b>Note A</b>		
Cash and cash equivalents as end of the period	29,785	27,354
Cash pledged for bank facilities	(178)	-
Cash and cash equivalents as disclosed in consolidated statement of cash flows	<u><b>29,607</b></u>	<u><b>27,354</b></u>

## **E Notes to the condensed interim consolidated financial statements**

### **1. Corporation Information**

Broadway Industrial Group Limited (the "Company") is incorporated in Singapore with limited liability. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the "Group").

The Company is an investment holding company.

The principal activities of the Group are disclosed in Note 4 below.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with the SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

All financial information in these interim financial statements are presented in Singapore dollar and rounded to the nearest thousand ("S\$'000") except when otherwise indicated.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2 Use of judgement and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

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**4. Segment and revenue information**

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standards on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the Group.

For management purposes, the Group is organised into the following major strategic operating segments that offer different products and services: (1) hard disk drive ("HDD"); (2) precision engineering; and (3) others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision makers in deciding how to allocate resources and in assessing the performance.

The segments and the types of products and services are as follows:

- (1) HDD segment - This segment comprises the manufacturing and distribution of actuator arms and related assembly for the hard disk industry.
- (2) Precision Engineering segment - This segment comprises the manufacturing and distribution of precision diecasting and machining
- (3) Others segment - This segment comprises mainly investment holding and discontinued operations.

**4.1 Reportable segments**

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

	HDD S\$'000	Precision Engineering S\$'000	Others S\$'000	Group Total S\$'000
<b>From 1 January 2024 to 30 June 2024</b>				
Revenue to external customers	164,573	698	-	165,271
EBITDA	17,664	(1,652)	82	16,094
Net finance (costs)/income	(545)	(150)	44	(650)
Depreciation expense	(3,849)	(971)	(18)	(4,838)
Profit/(Loss) before income tax	13,270	(2,773)	107	10,606
Income tax expense	(1,993)	-	(201)	(2,194)
Profit/(Loss), net of tax	11,277	(2,773)	(94)	8,412
Total assets for reportable segments	230,105	12,050	544	242,699
Total liabilities for reportable segments	139,686	5,985	164	145,835
Capital expenditure	322	488	-	810
<b>From 1 January 2023 to 30 June 2023</b>				
Revenue to external customers	125,354	992	-	126,346
EBITDA	6,735	(1,428)	284	5,591
Net finance (costs)/income	(944)	(82)	22	(1,004)
Depreciation expense	(5,289)	(327)	(27)	(5,643)
Profit/(Loss) before income tax	502	(1,837)	279	(1,056)
Income tax expense	(14)	-	(40)	(54)
Profit/(Loss), net of tax for continuing operations	488	(1,837)	239	(1,110)
Loss, net of tax for discontinued operations	-	-	(427)	(427)
Total assets for reportable segments	148,177	11,267	1,176	160,620
Total liabilities for reportable segments	65,838	7,406	344	73,588
Capital expenditure	1,064	2,213	-	3,277



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**4.2 Geographical information**

Singapore is the country of domicile of the Company. The principal activity of the Company is investment holding. The Company's subsidiaries in the reportable segment are mainly located in the People's Republic of China ("PRC"), Thailand, South Korea, Vietnam and Singapore.

In presenting information on the basis of geographical segments, revenue is attributable to countries on the geographical location of customers and the non-current assets are analysed by the geographical area in which the assets are located:

	<b>Group Revenue</b>		<b>Group Non-Current Assets</b>	
	<b>6 months ended</b>		<b>30 Jun</b>	<b>30 Jun</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Thailand	116,364	83,010	34,652	40,646
People's Republic of China	48,212	42,252	19,488	22,408
Singapore	-	63	363	694
Vietnam	550	241	10,612	8,580
South Korea	24	348	15	25
Other countries	121	432	-	-
<b>Total</b>	<b>165,271</b>	<b>126,346</b>	<b>65,132</b>	<b>72,353</b>

**4.3 Discontinued operations**

- a. The Group had evaluated and decided to exit from its robotics business. As part of the long-term business strategy, it had in December 2023 disposed of its 100% stake in BIGL Enterprise Management (Beijing) Co., Ltd. which, in turn, held a 55% stake in Beijing Ant Brothers Technology Co., Ltd. In addition, it had also ceased the operations of its Singapore robotics business.

**b Loss from discontinued operations, Net of Tax**

	<b>6 months ended</b>
	<b>30 Jun</b>
	<b>2023</b>
	<b>S\$'000</b>
Revenue	99
Cost of Sales	(127)
Gross loss	(28)
Distribution expenses	(11)
Administrative expenses	(119)
Sales and marketing expenses	(159)
Research & development expenses	(96)
Other expenses	(14)
<b>Total loss on discontinued operations</b>	<b>(427)</b>

**5. Other Income**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun</b>	<b>30 Jun</b>
	<b>2024</b>	<b>2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Foreign exchange gains, net	1,090	541
Gain/(Loss) on disposal of property, plant & equipment	(231)	5
Scrap income	704	561
Government grants	56	119
Redundancy costs	(114)	(187)
Others	75	203
<b>Total</b>	<b>1,580</b>	<b>1,242</b>

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**6. Profit/(Loss) before income tax included**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun</b>	<b>30 Jun</b>
	<b>2024</b>	<b>2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Depreciation of property, plant and equipment	(3,897)	(4,657)
Depreciation of right-of-use assets	(945)	(1,049)

**7. Income tax expense**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun</b>	<b>30 Jun</b>
	<b>2024</b>	<b>2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Current income tax expenses	(2,194)	(22)
Under provision in prior years	-	(32)
	<u>(2,194)</u>	<u>(54)</u>

**8. Earnings/(Loss) per share**

The numerators and denominators used to calculate basic and diluted earnings per share of no par value are as follows :

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun</b>	<b>30 Jun</b>
	<b>2024</b>	<b>2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Numerators :		
Profit/(Loss) attributable to owners of the Company	<u>8,745</u>	<u>(1,211)</u>
Denominators:		
Weighted average numbers of equity shares (basic)	454,656	454,656
Unreleased share awards effect	-	-
Weighted average numbers of equity shares (diluted)	<u>454,656</u>	<u>454,656</u>

**9. Dividends**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun</b>	<b>30 Jun</b>
	<b>2024</b>	<b>2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary dividends paid:		
Final exempt 2023 dividend of 0.5 cents per share (paid on 10/5/2024)	<u>2,273</u>	<u>-</u>

**10. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun</b>	<b>31 Dec</b>	<b>30 Jun</b>	<b>31 Dec</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Net asset value per ordinary share	<u>21.30</u>	<u>19.52</u>	<u>25.10</u>	<u>25.22</u>

Net asset value per ordinary share is calculated based on 454,656,461 ordinary shares as at 30 June 2024 (31 December 2023 : 454,656,461 ordinary shares).

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**11. Property, plant and equipment**

During the six months ended 30 June 2024, the Group acquired assets, mainly for manufacturing equipment, amounting to S\$0.8 million (30 June 2023: S\$3.3 million) and disposed assets that had net carrying value of S\$0.4 million (30 June 2023: S\$0.2 million).

**12. Share Capital**

	Group and Company			
	30 Jun 2024		31 Dec 2023	
	Number of shares '000	Share Capital S\$'000	Number of shares '000	Share Capital S\$'000
Balance at 1 January 2024 and 1 January 2023	471,914	113,163	471,914	113,163
Shares issued under BIGL Share Plan	-	-	-	-
Balance at 30 June 2024 and 31 December 2023	<u>471,914</u>	<u>113,163</u>	<u>471,914</u>	<u>113,163</u>

During the period, there were 7,450,000 (30 June 2023 : 2,850,000) share options granted under the BIGL Share Option Scheme 2022.

As at 30 June 2024, there were 10,300,000 (30 June 2023 : 2,850,000) outstanding shares in respect of unissued ordinary shares under the BIGL Share Option Scheme 2022.

As at 30 June 2024, there were 17,258,150 (30 June 2023 : 17,258,150) shares held as treasury shares.

Total number of issued shares excluding treasury shares as at 30 June 2024 was 454,656,461 (30 June 2023 : 454,656,461).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 30 June 2023.

**13. Borrowings (Secured)**

	Group	
	30 Jun 2024	31 Dec 2023
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	4,230	3,849
Total	<u>4,230</u>	<u>3,849</u>

Details of any collaterals

The Group's borrowings and debt securities relate to bank loans which are guaranteed by a subsidiary in the Group and are secured by land and buildings of a subsidiary.

**14. Financial assets and financial liabilities**

	Group		Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial Assets</b>				
Trade and other receivables	121,100	73,442	10,472	10,644
Cash and cash equivalents	29,785	33,901	448	302
Total	<u>150,885</u>	<u>107,343</u>	<u>10,920</u>	<u>10,946</u>
<b>Financial Liabilities</b>				
Loans and borrowings	4,230	3,849	-	-
Lease liabilities	13,530	8,322	185	276
Trade and other payables	121,802	91,498	979	495
Total	<u>139,562</u>	<u>103,669</u>	<u>1,164</u>	<u>771</u>

**15. Subsequent Event**

There are no known subsequent events which have led to adjustments to this set of unaudited condensed interim consolidated financial statements.

## **Other Information Required by Listing Rule Appendix 7.2**

## **Other Information**

### **1. Review**

The condensed consolidated statement of financial position of Broadway Industrial Group Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following :-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### **Revenue and Gross Profit**

The Group's revenue increased by S\$38.9 million or 30.8% to S\$165.3 million in the six months ended 30 June 2024 ("1H2024"), from S\$126.3 million in the six months ended 30 June 2023 ("1H2023"). This was mainly due to increase in sale volume and sales mix shifted towards more enterprise hard disk drives ("HDD"). This was driven by the HDD demand recovery, particularly in the mass storage enterprise segment of the market.

The Group's gross profit margin increased to 9.5% in 1H2024 from 3.3% in 1H2023.

### **Operating Expenses**

Despite the increase in sales volume, the Group's distribution expenses at S\$0.4 million decreased by 7.7% in 1H2024 due to the Group's continuing efforts to optimise its spendings.

Administration expenses increased by 14.4% from S\$4.6 million in 1H2023 to S\$5.3 million in 1H2024, mainly due to higher staff related costs and professional fees.

Sales and marketing expenses decreased by 6.7% from S\$0.36 million in 1H2023 to S\$0.33 million in 1H2024, mainly due to the Group fine tuning its investment in developing new precision engineering business in Republic of Korea and Vietnam.

The Group recorded net other income of S\$1.6 million in 1H2024 as compared to S\$1.2 million in 1H2023. The net other income comprised mainly foreign exchange gain, scrap income and government grants, offset by loss on disposal of plant and equipment and headcount redundancy costs from the continuing rationalisation in the HDD manufacturing operations. Lower net other income in 1H2023 by S\$0.3 million was mainly contributed by lower foreign exchange gains, lower scrap income and higher redundancy costs offset by higher government grants.

### **Net Finance Costs**

The Group recorded lower net finance costs of S\$0.7 million in 1H2024 as compared to S\$1.0 million in 1H2023, mainly due to higher interest income generated on short term deposits.

### **Tax Expense**

The Group recorded tax expense of S\$2.2 million in 1H2024 as compared to S\$0.1 million in 1H2023, attributed to the higher taxable income generated by operations in Thailand and the People's Republic of China.

### **Net Profit**

The Group recorded a net profit after tax of S\$8.4 million as compared to a net loss of S\$1.1 million in 1H2023. The increase in net profit was mainly contributed by the higher sales, favorable product mix and higher gross margin in the HDD business segment.

### **Earnings Per Share**

The Group's earnings per share improved from a loss of 0.27 cents in 1H2023 to a profit of 1.92 cents in 1H2024.

### **Balance Sheet**

The Group's net working capital increased by S\$13.5 million from S\$28.6 million as at 31 December 2023 to S\$42.0 million as at 30 June 2024. The increase was contributed by the increase in current assets of S\$47.9 million, offset by the increase in current liabilities of S\$34.5 million. The increase in current assets was mainly due to the S\$47.7 million increase in trade and other receivables and S\$4.3 million increase in inventories, offset by the S\$4.1 million decrease in cash and cash equivalents. The increase in current liabilities was mainly due to the S\$30.3 million increase in trade and other payables, S\$2.3 million increase in lease liabilities and S\$0.4 million increase in loans and borrowings.

The net asset value per share of the Group increased from 19.52 cents as at 31 December 2023 to 21.30 cents as at 30 June 2024.

#### **Cash Flow**

The Group recorded net cash used in operating activities of S\$5.7 million in 1H2024, as compared to net cash generated from operating activities of S\$6.8 million in 1H2023.

The Group recorded net cash used in investing activities of S\$0.4 million in 1H2024 as compared to S\$3.7 million in 1H2023. The investing activities in 1H2024 were mainly for acquiring the remaining interest in subsidiaries of S\$0.4 million and capital expenditure of S\$0.8 million, offset by interest income received of S\$0.5 million.

The Group recorded net cash generated from financing activities of S\$1.8 million in 1H2024 as compared to net cash used in financing activities of S\$5.3 million in 1H2023. The financing activities in 1H2024 were mainly related to S\$10.3 million proceeds from leases, offset by net lease liabilities payments of S\$4.9 million, S\$2.3 million dividend payment and S\$1.2 million interest payments (1H2023: S\$2.9 million net repayment of bank borrowings, S\$1.2 million payment of lease liabilities and S\$1.1 million interest payments).

Cash and cash equivalents as at 30 June 2024 was S\$29.8 million as compared to S\$27.4 million as at 30 June 2023.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No prospect statement has been previously disclosed.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months.**

The HDD market demand in 1H2024 saw a recovery from the trough of the cycle in 1H2023, although the recovery appears uneven across different segments of the market. Enterprise cloud segment demand is strengthening, underscored by the robust demand from hyperscale cloud customers and steady OEM. In the legacy segment, overall quarterly market volume remains largely flat over the last few quarters. While the market is seeing a moderate growth in demand for consumer electronics HDDs, it is offset by the weaker demand in desktop and mobile shipments. Consistent with public commentary about the HDD market, the Group expects HDD demand to continue strengthening moderately into 2025, driven by the demand rebound following a period of deferred HDD storage investments by cloud providers and expansion of the storage infrastructure to support future generative AI content.

Whilst the HDD industry outlook is improving, ongoing economic headwinds and geopolitical tensions remain. The Group has and will continue to take the necessary measures to align its manufacturing capacity to the demand dynamics and exercise cost discipline. The Group remains cautiously optimistic about the longer-term prospects of the HDD business as the demand for mass storage, particularly in the high performance enterprise and nearline HDD products, is expected to grow moderately.

In view of the weak sentiment in Shenzhen property market, the Group will optimise the use of its Shenzhen factory by leasing out vacant area in the near term while at the same time, continue to explore the option of monetising it in order to unlock value for shareholders.

The PE business is on track to make a small contribution to the Group's revenue in 2024. Following the acquisition of the minority interest in BIGL Korea Co., Ltd. in May 2024 (resulting in the subsidiary becoming wholly owned), the Group continues to work with both existing and potential customers to complete more customer qualifications and build order pipelines in the second half of 2024.

**Broadway Industrial Group Limited**  
**Unaudited Condensed Interim Financial Statements**  
**For the Six Months Ended 30 June 2024**

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**5. Dividend Information**

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend per share	S\$0.005
Tax Rate	Tax exempt

5b. Corresponding Period of the Immediate Preceding financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

5c. Payment Date

23 August 2024

5d. Books Closure Date

Date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined:

16 August 2024, 5pm

**6. Interested person transactions**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

**7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**8. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group for the six-month period ended 30 June 2024, to be false or misleading in any material aspect.

**By Order of the Board**

Lew Syn Pau  
Chairman  
7 August 2024