

**BROADWAY INDUSTRIAL GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number 199405266K)

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**RESPONSE TO THE SGX-ST'S QUERY REGARDING THE  
FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT 2014**

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The Board of Directors (the "**Board**") of Broadway Industrial Group Limited (the "**Company**") and, together with its subsidiaries, the "**Group**") wishes to announce the information set out below in response to the question from the Singapore Exchange Securities Trading Limited received on 16 May 2014 in relation to the first quarter financial statement announcement released by the Company on 9 May 2014.

Query:

On page 10 of the financial statements, the explanation for the net cash used in operating activities of S\$10.5 million in 1Q2014 as compared to net cash from operations of S\$11.0 million in 1Q2013 was "mainly due to the increase in the cash conversion cycle in 1Q2014".

Please clarify the basis for the increase in cash conversion cycle of the Company, and to disclose the explanation in an announcement on SGXNET as soon as practicable but no later than the close of business on Monday, 19 May 2014.

Company's response:

The Company clarifies that the net cash used in operating activities of S\$10.5 million in 1Q2014 as compared to net cash from operations of S\$11.0 million in 1Q2013 was mainly due to the payments which had been made to suppliers during 1Q2014, as shown in the cash flow statement as "change in trade and other payables" of S\$16.7 million as compared to 1Q2013 of S\$6.6 million.

By Order of the Board

**Broadway Industrial Group Limited**

19 May 2014