



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

UPDATE ON CLAIMANTS' QUANTIFICATION OF ARBITRATION CLAIMS

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**");
- (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;
- (c) 12 October 2021, in relation to the receipt of a notice of arbitration dated 8 October 2021 from the China International Economic and Trade Arbitration Commission ("**CIETAC**") in respect of an arbitration brought by the Purchaser and Seksun (collectively, the "**Claimants**") against the Sellers and the Company (collectively, the "**Respondents**") (the Claimants and Respondents together, the "**Parties**") (the "**Arbitration**") (the "**12 October 2021 Announcement**"); and
- (d) 17 January 2022, in relation to, among others, the update on Arbitration proceedings and a receipt of a notice from Jiangsu Wuxi Intermediate People's Court (the "**Wuxi Court**") on 14 January 2022, in respect of an order for BIGL Asia's shareholding in BIGL Technologies (Wuxi) Co., Ltd. ("**BIGL Wuxi**") to be frozen for the period between 27 October 2021 and 26 October 2024 as a result of an application made by the Purchaser to the Wuxi Court against the Respondents in connection with the Arbitration on 28 September 2021 (the "**17 January 2022 Announcement**"),

(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. UPDATE ON CLAIMANTS' QUANTIFICATION OF ARBITRATION CLAIMS

The Board refers to the 12 October 2021 Announcement and wishes to update Shareholders that following the oral hearing between the Parties on 25 March 2022, CIETAC has directed the Parties to submit all further evidence in relation to the Arbitration by the end of April 2022. Further, the Respondents, through their Chinese legal counsel, had received the Claimants' following modified reliefs sought from the arbitral tribunal:

- (a) with reference to paragraph 2.3(b) of the 12 October 2021 Announcement, an order sought for the Sellers to compensate the costs incurred by the Claimants for the SPA, being USD 745,220.86 plus THB 3,884,315.80;



- (b) with reference to paragraph 2.3(c) of the 12 October 2021 Announcement, an order sought for the Sellers to compensate the Purchaser for its expectation damages in the total amount of SGD 9,024,000, being the net profit of the Respondents' HDD business in the first half of 2021, as the Claimants have alleged that the said net profit would have belonged to the Claimants under the lock-box transaction mechanism agreed in the SPA if the Parties had successfully completed the Proposed Disposal; and
- (c) with reference to paragraph 2.3(f) of the 12 October 2021 Announcement, 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, being RMB 817,724.62,

(collectively, the "**Revision of Arbitration Claims**").

The Company maintains its views, as expressed in the 12 October 2021 Announcement and the 17 January 2022 Announcement, that the Allegations (including the Revision of Arbitration Claims) have no merits, and the Company intends to continue to defend the Allegations and pursue its Counterclaims vigorously.

3. GENERAL

The Company will make further announcements to update 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

25 April 2022