

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

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**ANNOUNCEMENT PURSUANT TO RULE 704(6) OF THE LISTING MANUAL  
ADJUSTMENTS TO PRELIMINARY FULL YEAR RESULTS ANNOUNCEMENT FOR  
THE YEAR ENDED 31 DECEMBER 2016**

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The Board of Directors (the “**Board**”) of Broadway industrial Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company via SGXNet on 1 March 2017 in relation to its unaudited full year financial statements (the “**Preliminary Results**”) for the year ended 31 December 2016 (“**FY2016**”). Further reference is made to the audited financial statements of the Company for FY2016 (the “**Audited Financial Statements**”) which will be provided to shareholders together with the notice for the Annual General meeting to be held on 30 April 2017.

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the Board wishes to announce that subsequent to the release of the Preliminary Results, there were adjustments made by the Group to the financial statements for FY2016 arising from the following:

- a) accounting adjustments from fair value and translation (please refer to items (1) and (2) below); and
- b) the Group’s discussions / negotiations with Broadway Holding III Limited in relation to the finalisation of the completion accounts in respect of the disposal of the Foam Plastics Solutions and Flow Control Devices businesses of the Group which was completed on 30 December 2016 (“**Disposal Transaction**”) (please refer to items (3) to (5) below).

The variances between the Preliminary Results and the Audited Financial Statements were mainly due to the following items:

- (1) unrealised foreign exchange losses arising from translation of deferred consideration receivables amounting to S\$0.6 million;
- (2) fair value loss in deferred consideration receivable of S\$1.1 million was reclassified from gain on disposal (discontinued operations) to other expenses (continued operations);
- (3) recognition of a provision of financial guarantee of S\$4.3 million to an external party by the Group and the Company;
- (4) adjustment amounts arising from net working capital, net debt and capital expenditure of S\$7.5 million arising from the disposal of discontinued operations; and
- (5) debt assignment in relation to the Disposal Transaction amounting to S\$20.2 million was adjusted to other expenses of the Company.

These variances are summarized in the following tables with the above items indicated against the relevant line items in superscript. For example, items 1 and 2 above are relevant to “Continuing operations <sup>(1) (2)</sup>”.

**A. Consolidated income statement**

	Preliminary Results 2016 S\$'000	Audited Financial Statements 2016 S\$'000	Variance S\$'000
<b>Net other income/(other expenses)</b>			
Continuing operations <sup>(1) (2)</sup>	(17,326)	(19,125)	(1,799)
Discontinued operations <sup>(3)</sup>	2,272	(1,978)	(4,250)
Total	<u>(15,054)</u>	<u>(21,103)</u>	<u>(6,049)</u>
<b>Gain on disposal of discontinued operations (net of tax) <sup>(2) (4)</sup></b>	20,984	14,602	(6,382)
<b>Profit/(Loss) for the Group</b>	<u>599</u>	<u>(11,832)</u>	<u>(12,431)</u>

**B. Consolidated statement of financial position**

	Preliminary Results 2016 S\$'000	Audited Financial Statements 2016 S\$'000	Variance S\$'000
<b><u>Current Assets</u></b>			
Trade and other receivables	<u>76,060</u>	<u>56,183</u>	<u>(19,877)</u>
<b><u>Equity</u></b>			
Reserves	(8,481)	(8,467)	14
Retained earnings <sup>(1), (3) and (4)</sup>	<u>52,891</u>	<u>40,460</u>	<u>(12,431)</u>
<b><u>Current Liabilities</u></b>			
Trade and other payables	<u>115,548</u>	<u>103,838</u>	<u>(11,710)</u>
<b><u>Non-Current Liabilities</u></b>			
Provisions	<u>-</u>	<u>4,250</u>	<u>4,250</u>

**C. Consolidated statement of cash flow**

	Preliminary Results 2016 S\$'000	Audited Financial Statements 2016 S\$'000	Variance S\$'000
Profit/(Loss) for the year	599	(11,832)	(12,431)
Inventories written down	-	5,474	5,474
Fair value change in deferred consideration receivable	-	1,118	1,118
Gain on disposal of discontinued operations, net of tax	(20,984)	(14,602)	6,382
Changes in:			
- inventories	35,612	30,138	(5,474)
- trade and other receivables	(13,919)	(14,241)	(322)
- trade and other payables	(19,722)	(14,598)	5,124
- provisions	-	9	9
Tax paid	(3,451)	(3,452)	(1)
Effect of exchange rate fluctuations on cash held	209	330	121

**D. Statement of financial position of the Company**

	Preliminary Results 2016 S\$'000	Audited Financial Statements 2016 S\$'000	Variance S\$'000
<b><u>Current Assets</u></b>			
Trade and other receivables	9,453	2,914	(6,539)
<b><u>Equity</u></b>			
Retained earnings <sup>(3) (5)</sup>	75,074	50,563	(24,511)
<b><u>Current Liabilities</u></b>			
Trade and other payables	10,560	24,282	13,722
<b><u>Non-Current Liabilities</u></b>			
Provisions	-	4,250	4,250

By Order of the Board

**Broadway Industrial Group Limited**