

FOR IMMEDIATE RELEASE

## **BIGL reports topline of S\$126.4 million in 1H2023 including maiden revenue from new precision engineering business**

- *Expects incremental revenue contribution from the recently set-up PE business as Vietnam factory progresses to become fully operational by end 2023.*
- *HDD segment remains profitable despite significant near-term demand challenges.*
- *Remains cautiously optimistic about long term outlook of enterprise HDD business driven by anticipated recovery in demand from cloud storage and data centre customers.*

<b>Financial Highlights (S\$'m)</b>	<b>6 months ended 30 June</b>		
	<b>1H2023</b>	<b>1H2022</b>	<b>% Change</b>
<b>Revenue</b>	<b>126.4</b>	228.4	(44.6)
<b>Gross Profit</b>	<b>4.1</b>	15.6	(73.8)
<b>Gross Profit Margin (%)</b>	<b>3.2</b>	6.8	↓ 3.6% pts
<b>Net Attributable (Loss) / Profit</b>	<b>(1.2)</b>	7.5	n.m.

*Note: All financial figures have been rounded.*

**SINGAPORE, 10 August 2023** – Broadway Industrial Group Limited (“**BIGL**” or together with its subsidiaries, the “**Group**”) has reported maiden revenue contributions from its recently established Precision Engineering (“**PE**”) Business. Despite having commenced only the machining part of its operations, the PE Business generated S\$1.0 million in sales during the six months ended 30 June 2023 (“**1H2023**”).

The PE Business was established following the inking of a joint venture in November 2022 between BIGL’s wholly-owned subsidiary BIGL Asia Pte. Ltd. and South Korea’s HSMJ Co., Ltd., with the Group holding the majority stake of 86.84%. It is primarily involved in the manufacture and distribution of precision diecasting and machining parts for the 5G network equipment and automotive industry.

The PE Business operates a sales office in South Korea and manufacturing facilities in Vietnam and Thailand. The revenue generated in 1H2023 was mainly from its machining operations. The Group is in the final stages of installing diecasting equipment and concurrently awaiting customer qualifications of the facilities and parts. It expects to be fully operational by the fourth quarter of 2023.

**BIGL Chief Executive Officer, Mr Tan Choon Hoong (陈春煌)**, said: *We are very encouraged to already be seeing revenue contribution from the recently established PE Business. We believe this is a very positive sign and we are looking forward to commencing full operations as soon as we receive our customers’ qualifications. Meanwhile, our team is working tirelessly to complete the necessary activities as quickly as possible so we can start to fully capitalise on this new business.”*

***Performance Review & Outlook***

Since the middle of 2022, demand for Hard Disk Drives (“HDD”) has fallen significantly due to the inventory correction at the HDD end markets, and reduced enterprise IT spending as sentiments turned cautious amidst geopolitical tensions and uncertainties in the macroeconomic environment. Further affecting business confidence was the below-expectation economic performance of post-pandemic China, which added to uneven demand-supply dynamics, that delayed demand recovery. This situation is expected to continue for the remainder of the year although the outlook for enterprise and nearline HDD products is expected to improve in the longer term in line with the anticipated recovery in demand for mass storage.

As a key provider of actuator arms, assemblies, and other related parts for the HDD industry, BIGL’s performance in 1H2023 reflected the challenging environment. Total revenue fell to S\$126.4 million as compared to S\$228.4 million in the corresponding six months in 2022 (“1H2022”). The HDD Business generated S\$0.5 million profit in 1H2023. However, the Group recorded a net attributable loss of S\$1.2 million in 1H2023, which was primarily a result of the start-up expenses in relation to the PE business.

**Mr Tan** said: *“The performance of our HDD Business is in line with that of our customers and reflected the overall operating environment of the industry. In 1H2023, our sales volume declined 40.6% year-on-year as we continued to observe inventory digestion by HDD cloud customers and reduced IT spending by businesses. We remain cautiously optimistic about the longer-term prospects of the HDD business and will continue to focus our resources more on the enterprise HDD segment, which is expected to grow in line with rising demand for cloud storage and data centres.*”

*“Having anticipated the current industry challenges, we made the strategic move to leverage our machining competencies and supply chain network to diversify into precision engineering to cater to the high-growth automotive and 5G network equipment sectors. We expect our PE Business to contribute incrementally to revenue as we progress towards full operations.”*

As at 30 June 2023, BIGL’s balance sheet remains healthy with cash and cash equivalents of S\$27.4 million (S\$29.9 million as at 30 June 2022).

Looking ahead, the Group will continue to exercise financial prudence by managing its working capital and its operating and manpower costs, while aligning its build volume with market conditions. The Group is also reviewing its robotics business, which has yet to make significant revenue contributions since it was acquired in 2020.

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(Incorporated in Singapore)

**About Broadway Industrial Group Limited**

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 1994, Broadway Industrial Group Limited (“**BIGL**” or together with its subsidiaries, the “**Group**”) is a key provider of actuator arms, assemblies and other related parts mainly for the global hard disk drive industry. Headquartered in Singapore, BIGL has five manufacturing facilities in China, Thailand and Vietnam with a total built-up area of 83,000 sqm.

To leverage its machining capabilities and supply chain network, the Group established a joint venture in November 2022 that is primarily involved in the manufacturing and distribution of diecasting and machining parts for the 5G equipment and automotive industry.

**Issued for and on behalf of Broadway Industrial Group Limited**

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