

**BROADWAY INDUSTRIAL GROUP LIMITED**

Company Registration No. 199405266K

**Full Year Financial Statement Announcement For the Year Ended 31 December 2016****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group			Group		
		Fourth quarter ended		Increase/ (Decrease) %	Year to date		Increase/ (Decrease) %
		31-12-16 S\$'000	31-12-15 S\$'000		31-12-16 S\$'000	31-12-15 S\$'000	
<b><u>Continuing Operations</u></b>							
Revenue		106,955	95,498	12.0	373,700	402,571	(7.2)
Cost of sales		(104,122)	(92,126)	13.0	(371,016)	(392,822)	(5.6)
Gross profit		2,833	3,372	(16.0)	2,684	9,749	(72.5)
Distribution expenses		(1,036)	(1,082)	(4.3)	(3,862)	(4,492)	(14.0)
Administrative, sales and marketing expenses		(5,544)	(4,915)	12.8	(20,362)	(21,805)	(6.6)
Other expenses	1	(19,828)	(75,282)	(73.7)	(17,326)	(75,860)	(77.2)
Results from operating activities		(23,575)	(77,907)	(69.7)	(38,866)	(92,408)	(57.9)
Finance income		40	(35)	n.m.	19	25	(24.0)
Finance costs		(1,919)	(1,568)	22.4	(6,012)	(6,145)	(2.2)
Net finance costs		(1,879)	(1,603)	17.2	(5,993)	(6,120)	(2.1)
Loss before income tax	2	(25,454)	(79,510)	(68.0)	(44,859)	(98,528)	(54.5)
Tax expense	3	(2,042)	(11,480)	(82.2)	(2,933)	(8,197)	(64.2)
Loss from continuing operations		(27,496)	(90,990)	(69.8)	(47,792)	(106,725)	(55.2)

**BROADWAY INDUSTRIAL GROUP LIMITED**

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**Full Year Financial Statement Announcement For the Year Ended 31 December 2016**

		Group			Group		
		Fourth quarter ended		Increase/	Year to date		Increase/
		31-12-16	31-12-15	(Decrease)	31-12-16	31-12-15	(Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Discontinued Operations</b>							
Revenue		66,380	68,774	(3.5)	244,603	248,107	(1.4)
Cost of sales		(48,564)	(51,810)	(6.3)	(184,846)	(192,057)	(3.8)
Gross profit		17,816	16,964	5.0	59,757	56,050	6.6
Distribution expenses		(2,286)	(2,715)	(15.8)	(9,008)	(9,943)	(9.4)
Administrative, sales and marketing expenses		(7,270)	(8,141)	(10.7)	(24,694)	(23,989)	2.9
Other income/(expenses)	1	8	(2,601)	(100.3)	2,272	(426)	n.m.
Gain on disposal of FPS and FCD businesses		20,984	-	n.m.	20,984	-	n.m.
Results from operating activities		29,252	3,507	n.m.	49,311	21,692	127.3
Finance income		486	342	42.1	1,672	838	99.5
Finance costs		(171)	(205)	(16.6)	(738)	(875)	(15.7)
Net finance costs		315	137	129.9	934	(37)	n.m.
Share of profit of associates (net of tax)		735	716	2.7	1,125	1,084	3.8
Profit before income tax	2	30,302	4,360	n.m.	51,370	22,739	125.9
Tax expense	3	(1,269)	(1,318)	(3.7)	(2,979)	(3,339)	(10.8)
Profit from discontinued operations		29,033	3,042	n.m.	48,391	19,400	149.4
Profit/(Loss) for the Group		1,537	(87,948)	(101.7)	599	(87,325)	(100.7)
Profit/(Loss) attributable to :							
Owners of the Company		1,479	(87,925)	(101.7)	327	(87,365)	(100.4)
Non-controlling interests		58	(23)	n.m.	272	40	n.m.
Profit/(Loss) for the Group		1,537	(87,948)	(101.7)	599	(87,325)	(100.7)

n.m. - not meaningful

	Group			Group		
	Fourth quarter ended 31-12-16 S\$'000	31-12-15 S\$'000	Increase/ (Decrease) %	Year to date 31-12-16 S\$'000	31-12-15 S\$'000	Increase/ (Decrease) %
<b>Statement of comprehensive income</b>						
Profit/(Loss) for the Group	1,537	(87,948)	(101.7)	599	(87,325)	(100.7)
<b>Other comprehensive profit/(loss)</b>						
Foreign currency translation differences for foreign operations	5,783	(4,050)	n.m.	(2,277)	12,602	(118.1)
Effective portion of changes in fair value of cash flow hedges	19	510	(96.2)	79	380	(79.2)
Share of foreign currency translation differences of associates	-	(52)	(100.0)	-	(52)	(100.0)
Total comprehensive profit/(loss) for the period	7,340	(91,540)	(108.0)	(1,599)	(74,395)	(97.9)
<b>Total comprehensive profit/(loss) attributable to :</b>						
Owners of the Company	7,313	(91,450)	(108.0)	(1,728)	(74,402)	(97.7)
Non-controlling interests	27	(90)	(130.0)	129	7	n.m.
Total comprehensive profit/(loss) for the period	7,340	(91,540)	(108.0)	(1,599)	(74,395)	(97.9)

**Notes to Income Statement****1 ) Other income/(expenses)**

Foreign exchange (loss)/gain	(4,109)	(577)	n.m.	(8,204)	1,794	n.m.
Fair value gain/(loss) on financial derivatives	745	159	n.m.	7,085	(2,805)	n.m.
(Loss)/Gain on disposal of property, plant & equipment	(324)	14	n.m.	443	(904)	(149.0)
Write off of property, plant and equipment	(9,674)	-	n.m.	(9,909)	-	n.m.
Impairment losses on other investment	(805)	-	n.m.	(805)	-	n.m.
Scrap income	294	648	(54.6)	1,598	2,805	(43.0)
Redundancy costs	(1,495)	(399)	n.m.	(4,085)	(952)	n.m.
Restructuring costs	(4,757)	(6,671)	(28.7)	(4,757)	(6,671)	(28.7)
Fair value change in trade receivables	(1)	(4,295)	(100.0)	347	(4,295)	(108.1)
Government grants	469	387	21.2	2,993	758	n.m.
Goodwill impairment	-	(67,292)	(100.0)	-	(67,292)	(100.0)
Others	(163)	143	n.m.	240	1,276	(81.2)
	(19,820)	(77,883)	(74.6)	(15,054)	(76,286)	(80.3)

**2 ) Profit/(Loss) before income tax included**

Depreciation	(8,644)	(7,109)	21.6	(37,012)	(39,752)	(6.9)
Write off of inventories	(4,835)	-	n.m.	(4,835)	-	n.m.

**3 ) Tax expense**

Current tax expense	(2,156)	(1,266)	70.3	(4,066)	(3,250)	25.1
Deferred tax credit/(expense)	30	(11,537)	(100.3)	52	(12,333)	(100.4)
(Under)/Over provided in prior years	(1,185)	5	n.m.	(1,898)	4,047	(146.9)
	(3,311)	(12,798)	(74.1)	(5,912)	(11,536)	(48.8)

**BROADWAY INDUSTRIAL GROUP LIMITED**
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**Full Year Financial Statement Announcement For the Year Ended 31 December 2016**

1b(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		<b>Group</b>		<b>Company</b>	
	Note	<b>31-12-16</b>	<b>31-12-15</b>	<b>31-12-16</b>	<b>31-12-15</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>					
Property, plant and equipment		109,865	177,568	24	51
Subsidiaries	1	-	-	100,000	154,501
Associates		-	3,020	-	98
Other long term receivables	2	15,133	-	-	-
Other investments		114	919	47	852
Financial derivatives		-	17	-	-
Deferred tax assets		-	1,510	-	-
<b>Non-current assets</b>		<b>125,112</b>	<b>183,034</b>	<b>100,071</b>	<b>155,502</b>
Financial derivatives		575	749	-	-
Inventories	3	31,510	89,425	-	-
Trade and other receivables	3	76,060	128,769	9,453	740
Cash and cash equivalents		145,235	48,163	91,559	549
Assets held for sale		-	7,460	-	-
<b>Current assets</b>		<b>253,380</b>	<b>274,566</b>	<b>101,012</b>	<b>1,289</b>
<b>Total assets</b>		<b>378,492</b>	<b>457,600</b>	<b>201,083</b>	<b>156,791</b>
<b>Equity</b>					
Share capital		113,139	113,091	113,139	113,091
Reserves	4	(8,481)	(3,182)	305	292
Retained earnings		52,891	52,564	75,074	33,843
<b>Equity attributable to owners of the Company</b>		<b>157,549</b>	<b>162,473</b>	<b>188,518</b>	<b>147,226</b>
<b>Non-controlling interests</b>		<b>(1,356)</b>	<b>1,401</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>156,193</b>	<b>163,874</b>	<b>188,518</b>	<b>147,226</b>
<b>Liabilities</b>					
Financial derivatives		-	4	-	-
Loans and borrowings		13,974	30,587	-	-
Deferred tax liabilities		-	203	-	-
<b>Non-current liabilities</b>		<b>13,974</b>	<b>30,794</b>	<b>-</b>	<b>-</b>
Financial derivatives		1,975	9,605	-	-
Loans and borrowings		87,110	91,025	2,000	2,000
Trade and other payables	3	115,548	156,502	10,560	7,560
Provision for restructuring costs		-	4,241	-	-
Current tax liabilities		3,692	1,559	5	5
<b>Current liabilities</b>		<b>208,325</b>	<b>262,932</b>	<b>12,565</b>	<b>9,565</b>
<b>Total liabilities</b>		<b>222,299</b>	<b>293,726</b>	<b>12,565</b>	<b>9,565</b>
<b>Total equity and liabilities</b>		<b>378,492</b>	<b>457,600</b>	<b>201,083</b>	<b>156,791</b>

**Notes to statement of financial position:-**

- 1) The decrease in subsidiaries in the company was mainly due to allowance for impairment of \$25.5 million and disposal of investment of S\$29 million.
- 2) The other long term receivables related to a deferred consideration arising from the disposed businesses and a long term lease entered by one of the subsidiaries with a customer from the Components division to recover the outstanding debt owed by the customer.
- 3) The decrease in inventories, trade and other receivables and trade and other payables was mainly due to the disposal of the FPS and FCD businesses.
- 4) The reserves comprise reserve for own shares, capital reserve, share option reserve, asset revaluation reserve, translation reserve and hedging reserve. The movements of reserves are shown in pages 7, 8 and 9.

**1b(ii) Aggregate amount of group's borrowings and debt securities.**

Amount repayable in one year or less, or on demand

As at 31-12-16		As at 31-12-15	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
85,110	2,000	82,699	8,326

Amount repayable after one year

As at 31-12-16		As at 31-12-15	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
13,974	-	30,587	-

**Details of any collaterals**

Secured bank loans of the Group are secured by legal charges over certain land and buildings owned by the Group and/or guarantees issued by certain subsidiaries and/or the Company.

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- 1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Fourth quarter ended		Group Year to date	
	31-12-16 S\$'000	31-12-15 S\$'000	31-12-16 S\$'000	31-12-15 S\$'000
<b>Cash flows from operating activities</b>				
<b>Loss before income tax</b>	4,848	(75,150)	6,511	(75,789)
<b>Adjustments for :</b>				
Depreciation of property, plant and equipment	8,644	7,109	37,012	39,752
Equity-settled share-based payment transactions	(3)	15	61	102
Fair value (gain)/loss on financial derivatives	(745)	(159)	(7,085)	2,805
Loss/(gain) on disposal of property, plant and equipment	324	(14)	(443)	904
Write off of property, plant and equipment	9,674	-	9,909	-
Fair value change in trade receivables	(1)	4,295	(347)	4,295
Provision for restructuring costs	-	4,134	-	4,134
Impairment loss on other investment	805	-	805	-
Gain on disposal of investment in subsidiaries and associates	(20,984)	-	(20,984)	-
Goodwill impairment	-	67,292	-	67,292
Interest expense	2,090	1,773	6,750	7,020
Interest income	(526)	(307)	(1,691)	(863)
Share of profit of associates, net of tax	(735)	(716)	(1,125)	(1,084)
	<u>3,391</u>	<u>8,272</u>	<u>29,373</u>	<u>48,568</u>
Change in inventories	13,753	595	35,612	8,867
Change in trade and other receivables	(7,201)	12,651	(13,919)	34,328
Change in trade and other payables	(2,162)	16,363	(19,722)	(25,923)
	<u>7,781</u>	<u>37,881</u>	<u>31,344</u>	<u>65,840</u>
Cash generated from operating activities				
Income tax paid	(918)	(704)	(3,451)	(4,774)
<b>Net cash from operating activities</b>	<u>6,863</u>	<u>37,177</u>	<u>27,893</u>	<u>61,066</u>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(11,229)	(6,805)	(28,217)	(23,580)
Interest received	313	307	874	863
Proceeds from disposal of property, plant and equipment	1,332	1,438	4,310	3,048
Proceeds from disposal of other investment	-	105	-	105
Proceeds from disposal of subsidiaries and associates, net of cash disposed	120,787	-	120,787	-
<b>Net cash from/(used in) investing activities</b>	<u>111,203</u>	<u>(4,955)</u>	<u>97,754</u>	<u>(19,564)</u>
<b>Cash flows from financing activities</b>				
Interest paid	(2,156)	(1,773)	(6,904)	(7,020)
Proceeds from bank borrowings	52,954	20,873	116,742	121,762
Repayments of bank borrowings	(53,233)	(36,149)	(138,622)	(146,526)
Repurchase of own shares	-	-	-	(108)
<b>Net cash used in financing activities</b>	<u>(2,435)</u>	<u>(17,049)</u>	<u>(28,784)</u>	<u>(31,892)</u>
Net increase in cash and cash equivalents	115,631	15,173	96,863	9,610
Cash and cash equivalents at beginning of period	27,419	33,035	48,158	35,802
Effect of exchange rate fluctuations on cash held	2,180	(50)	209	2,746
<b>Cash and cash equivalents at end of period *</b>	<u>145,230</u>	<u>48,158</u>	<u>145,230</u>	<u>48,158</u>

\* A fixed deposit of \$5,000, which was pledged as security to obtain credit facilities, was excluded from the cash and cash equivalents at end of period.

1(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Reserves							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	Reserve for own shares S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Asset revaluation reserve S\$'000	Translation reserve S\$'000	Hedging reserve S\$'000				
<b>The Group</b>											
At 1 January 2016	113,091	(333)	2,924	625	870	(7,189)	(79)	52,564	162,473	1,401	163,874
<b>Total comprehensive income for the period</b>											
Profit/(Loss) for the period	-	-	-	-	-	-	-	(1,152)	(1,152)	214	(938)
<b>Other comprehensive income</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	60	-	60	-	60
Foreign currency translation differences for foreign operations	-	-	-	-	-	(7,948)	-	-	(7,948)	(112)	(8,060)
Total comprehensive income for the period	-	-	-	-	-	(7,948)	60	(1,152)	(9,040)	102	(8,938)
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Vesting of share awards	48	96	-	(144)	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	64	-	-	-	-	64	-	64
Total contributions by owners of the Company	48	96	-	(80)	-	-	-	-	64	-	64
At 30 September 2016	113,139	(237)	2,924	545	870	(15,137)	(19)	51,412	153,497	1,503	155,000
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	1,479	1,479	58	1,537
<b>Other comprehensive income</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	19	-	19	-	19
Foreign currency translation differences for foreign operations	-	-	-	-	-	5,814	-	-	5,814	(31)	5,783
Total comprehensive income for the period	-	-	-	-	-	5,814	19	1,479	7,313	27	7,340
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Disposal of subsidiaries and associates	-	-	-	-	(870)	(2,387)	-	-	(3,257)	(2,886)	(6,143)
Share-based payment transactions	-	-	-	(3)	-	-	-	-	(3)	-	(3)
Total contributions by owners of the Company	-	-	-	(3)	(870)	(2,387)	-	-	(3,260)	(2,886)	(6,146)
At 31 December 2016	113,139	(237)	2,924	542	-	(11,710)	-	52,891	157,549	(1,356)	156,193

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	Reserves							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	Reserve for own shares S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Asset revaluation reserve S\$'000	Translation reserve S\$'000	Hedging reserve S\$'000				
<b>The Group</b>											
<b>At 1 January 2015</b>	113,016	(357)	2,924	730	870	(19,772)	(459)	139,929	236,881	1,394	238,275
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	560	560	63	623
<b>Other comprehensive income</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(130)	-	(130)	-	(130)
Foreign currency translation differences for foreign operations	-	-	-	-	-	16,618	-	-	16,618	34	16,652
<b>Total comprehensive income for the period</b>	-	-	-	-	-	16,618	(130)	560	17,048	97	17,145
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Vesting of share awards	75	132	-	(207)	-	-	-	-	-	-	-
Own shares acquired	-	(108)	-	-	-	-	-	-	(108)	-	(108)
Share-based payment transactions	-	-	-	87	-	-	-	-	87	-	87
<b>Total contributions by owners of the Company</b>	75	24	-	(120)	-	-	-	-	(21)	-	(21)
<b>At 30 September 2015</b>	113,091	(333)	2,924	610	870	(3,154)	(589)	140,489	253,908	1,491	255,399
<b>Total comprehensive income for the period</b>											
Loss for the period	-	-	-	-	-	-	-	(87,925)	(87,925)	(23)	(87,948)
<b>Other comprehensive income</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	510	-	510	-	510
Foreign currency translation differences for foreign operations	-	-	-	-	-	(3,983)	-	-	(3,983)	(67)	(4,050)
Share of foreign currency translation differences of associates	-	-	-	-	-	(52)	-	-	(52)	-	(52)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(4,035)	510	(87,925)	(91,450)	(90)	(91,540)
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Share-based payment transactions	-	-	-	15	-	-	-	-	15	-	15
<b>Total contributions by owners of the Company</b>	-	-	-	15	-	-	-	-	15	-	15
<b>At 31 December 2015</b>	113,091	(333)	2,924	625	870	(7,189)	(79)	52,564	162,473	1,401	163,874



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	Share capital S\$'000	Reserve for own shares S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>The Company</b>					
<b>At 1 January 2016</b>	113,091	(333)	625	33,843	147,226
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	13,261	13,261
Total comprehensive income for the period	-	-	-	13,261	13,261
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Vesting of share awards	48	96	(144)	-	-
Share-based payment transactions	-	-	64	-	64
Total contributions by owners of the Company	48	96	(80)	-	64
<b>At 30 September 2016</b>	113,139	(237)	545	47,104	160,551
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	27,970	27,970
Total comprehensive income for the period	-	-	-	27,970	27,970
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Share-based payment transactions	-	-	(3)	-	(3)
Total contributions by owners of the Company	-	-	(3)	-	(3)
<b>At 31 December 2016</b>	113,139	(237)	542	75,074	188,518
<b>At 1 January 2015</b>					
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(3,818)	(3,818)
Total comprehensive income for the period	-	-	-	(3,818)	(3,818)
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Vesting of share awards	75	132	(207)	-	-
Own share acquired	-	(108)	-	-	(108)
Share-based payment transactions	-	-	87	-	87
Total contributions by owners of the Company	75	24	(120)	-	(21)
<b>At 30 September 2015</b>	113,091	(333)	610	34,874	148,242
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(1,031)	(1,031)
Total comprehensive income for the period	-	-	-	(1,031)	(1,031)
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Share-based payment transactions	-	-	15	-	15
Total contributions by owners of the Company	-	-	15	-	15
<b>At 31 December 2015</b>	113,091	(333)	625	33,843	147,226

- 1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the year, 610,000 treasury shares were issued to our employees pursuant to the BIGL Share Plan. There was no exercise of share options under the BIGL Share Option Scheme 2001 during the year.

As at 31 Dec 2016, there were 1,336,000 (31 Dec 2015 : 1,536,000) outstanding share options under the BIGL Share Option Scheme 2001.

As at 31 Dec 2016, there were 1,315,000 (31 Dec 2015 : 1,362,500) outstanding shares under the BIGL Share Plan.

As at 31 Dec 2016, there were 1,030,150 shares (31 Dec 2015 : 1,445,150) held as treasury shares.

Total number of issued shares excluding treasury shares as at 31 Dec 2016 was 470,884,461 (31 Dec 2015 : 470,461,961).

- 1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares excluding treasury shares as at 31 Dec 2016 was 470,884,461 (31 Dec 2015 : 470,469,461).

- 1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

From 1 Jan 2016 to 31 Dec 2016, 415,000 treasury shares were issued to our employees pursuant to the BIGL Share Plan.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2015.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There are no changes in the accounting policies and methods of computation.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends :-

Earnings per ordinary share	Fourth quarter		Year to date	
	31-12-16	31-12-15	31-12-16	31-12-15
Based on weighted average number of ordinary shares in issue (cents)	0.31	(18.69)	0.07	(18.57)
On a fully diluted basis (cents)	0.31	(18.63)	0.07	(18.51)

a) Earnings per ordinary share is calculated based on weighted average number of ordinary shares (excluding treasury shares) of 470,732,605 ordinary shares (31 Dec 2015 : 470,461,656 ordinary shares).

b) Diluted earnings per ordinary share is calculated based on weighted average number of ordinary shares (excluding treasury shares) of 472,172,930 ordinary shares (31 Dec 2015 : 471,862,957 ordinary shares).

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-  
 (a) current period reported on; and  
 (b) immediately preceding financial year.

Net asset value per ordinary share	31-12-16	31-12-15
Group (cents)	33.46	34.53
Company (cents)	40.03	31.29

Net asset value per ordinary share is calculated based on number of ordinary shares at 31 Dec 2016 of 470,884,461 ordinary shares (31 Dec 2015 : 470,469,461 ordinary shares).

- 8 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.

#### Review of Group Performance

The disposal of the Foam Plastics Solutions ("FPS") and Flow Control Device ("FCD") businesses of the Group was completed on 30 December 2016. As such, the financial results of both FPS and FCD businesses have been presented separately as discontinued operations.

The financial results of the continuing operations set out below reflect the remaining operations of the Group's Components ("Components") Business.

#### FY2016 vs FY2015 Review of Continuing Operations

The Group's revenue decreased 7.2% year-on-year ("yoy") to S\$373.7 million from S\$402.6 million for the financial year ended 31 December 2015 ("FY2015").

The decrease was mainly attributable to lower revenue from the remaining Components Business ("RCB").

Gross profit margin decreased to 0.72% in FY2016 as compared to 2.4% in FY2015. The decrease was mainly due to keen competition resulting in lower selling prices and fixed overheads, as well as the write off of End-Of-Life inventory amounting to S\$4.8 million.

#### **Operating Expenses of Continuing Operations**

The Group's distribution expenses decreased by 14.0% yoy to S\$3.9 million in FY2016 due to improved logistics management.

Administration, sales and marketing expenses decreased by 6.6% yoy to S\$20.4 million mainly due to lower salary expenses for administration.

The Group recorded other income of S\$3.7 million in FY2016 as compared to other expenses of S\$75.9 million in FY2015. This was mainly due to the absence of the one-off goodwill impairment expense of S\$67.3 million incurred in FY2015.

#### **Tax Expenses of Continuing Operations**

Tax expense for FY2016 decreased to S\$2.9 million as compared to S\$8.2 million in FY2015 mainly due to the absence of the writing off of a deferred tax asset amounting to S\$12.3 million in FY2015.

#### **Net Loss of Continuing Operations**

The Group recorded a net loss of S\$26.8 million in FY2016 as compared to a net loss of S\$106.7 million in FY2015. This was mainly due to the absence of the one-off goodwill impairment expenses of S\$67.3 million and the absence of the writing off of a deferred tax asset amounting to S\$12.4 million incurred in FY2015.

#### **Discontinued Operations**

Operating profit from discontinued operations, comprising the FPS and FCD businesses which were disposed on 30 December 2016 at a consideration of S\$150 million, amounted to S\$27.4 million in FY2016 (FY2015: S\$19.4 million). Gain on disposal of the businesses was \$21.0 million.

#### **Balance Sheet**

The Net Asset Value (NAV) per share of the Group decreased to 33.46 cents as at 31 December 2016 from 34.53 cents as at 31 December 2015 due mainly to foreign exchange translation losses.

#### **Cash Flow of the Group**

The Group recorded net cash from operating activities of S\$28.0 million in FY2016 compared to S\$61.1 million in FY2015. Net cash flow from investing activities increased to S\$97.8 million in FY2016 compared to net cash used in investing activities of S\$19.6 million in FY2015. The differences are mainly due to the disposal of the FPS and FCD businesses in FY2016.

Net cash used in financing activities decreased to S\$28.8 million in FY2016 from S\$31.9 million in FY2015 mainly due to lower net repayment of loans in FY2016.

Cash and cash equivalents increased to S\$145.2 million in FY2016 from S\$48.2 million in FY2015 mainly due to the proceeds received from the disposal of the FPS and FCD businesses in FY2016.

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

Our operating performance is in line with our announcement on 3 November 2016.

- 10 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 reporting period and the next 12 months.

According to Trendfocus' 4Q2016 Quarterly Update and Long-Term Forecast report dated 9<sup>th</sup> February 2017, HDD demand remained steady in the 4<sup>th</sup> quarter of 2016. The total shipment units ended down modestly from the previous quarter at 111.4 million. The downtrend was expected due to seasonally lower game console shipments; however, this was somewhat tempered by stronger than usual demand of HDDs for personal computers due to higher SSD prices and strong consumer PC sales in 4Q2016. The annual total HDD shipment volume ended with 424.1m, a 9.5% decrease compared to the previous year.

Going forward, Trendfocus expects the 2017 HDD total addressable market (TAM) to continue contracting, albeit at a more moderate rate to 414.4m due to tight NAND flash memory (a type of non-volatile storage technology that does not require power to retain data) supplies and elevated SSD pricing. Looking further ahead, Trendfocus forecasts a negative 4.1% CAGR through 2021, based on the outlook of eroding PC volumes and increasing SSD usage rates in the long run.

Hence, the management is of the view that the HDD sector will continue to be challenging in the forthcoming quarters and will continue to persevere and intensify its efforts in optimizing its business operations.

In view of the uncertainties in our business environment, the Group will remain vigilant and adopt a prudent approach for FY2017.

## 11 Dividend

## (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ?

Name of Dividend	Interim
Dividend Type	Cash
Dividend per share	\$0.085
Tax Rate	Tax exempt (one-tier)
Date of payment	to be announced later

## (b) Corresponding Period of the Immediately Preceding Financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

## (c) Date payable

to be announced later

## (d) Books closure date

to be announced later

## 12 If no dividend has been declared (recommended), a statement to that effect.

N.A.

## 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no IPT mandate.

## 14 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 procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

- 15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

## Information about reportable segments

	Year 2016				Year 2015			
	Foam Plastics (Discontinued)	Components (Discontinued)	Components	Total	Foam Plastics (Discontinued)	Components (Discontinued)	Components	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue, representing consolidated revenue	160,900	83,703	373,700	<b>618,303</b>	183,010	65,097	402,571	<b>650,678</b>
Finance income	1,534	138	155	<b>1,827</b>	772	65	130	<b>967</b>
Finance costs	(625)	(113)	(5,473)	<b>(6,211)</b>	(759)	(116)	(6,060)	<b>(6,935)</b>
Depreciation	(7,524)	(2,001)	(27,431)	<b>(36,956)</b>	(7,892)	(2,497)	(29,293)	<b>(39,682)</b>
Share of profit of associates	1,125	-	-	<b>1,125</b>	1,084	-	-	<b>1,084</b>
Reportable segment profit/(loss) before tax	7,595	21,666	(36,922)	<b>(7,661)</b>	7,706	13,950	(87,150)	<b>(65,494)</b>
Other material non-cash items :								
Fair value change in trade receivable	347	-	-	<b>347</b>	(3,190)	-	(1,105)	<b>(4,295)</b>
Provision for restructuring costs	-	-	-	<b>-</b>	-	-	(4,134)	<b>(4,134)</b>
Goodwill impairment	-	-	-	<b>-</b>	-	-	(67,292)	<b>(67,292)</b>
Write off of property, plant and equipment	-	(6)	(9,903)	<b>(9,909)</b>	-	-	-	<b>-</b>
Reportable segment assets	-	-	210,784	<b>210,784</b>	162,066	40,212	239,149	<b>441,427</b>
Investment in associates	-	-	-	<b>-</b>	1,375	-	-	<b>1,375</b>
Capital expenditure	7,977	1,210	19,016	<b>28,203</b>	6,895	206	15,256	<b>22,357</b>
Reportable segment liabilities	-	-	166,884	<b>166,884</b>	75,125	10,724	175,480	<b>261,329</b>

## Reconciliations of reportable segment profit or loss, assets and liabilities and other material items

	Year 2016	Year 2015
	S\$'000	S\$'000
<b>Profit or loss</b>		
Total loss for reportable segments	(7,661)	(65,494)
Unallocated amounts :		
- Fair value (loss)/gain on financial derivatives	7,085	(2,805)
- Other corporate expenses	5,962	(8,574)
Share of profit of associates	1,125	1,084
Consolidated profit/(loss) before tax	6,511	(75,789)
<b>Assets</b>		
Total assets for reportable segments	210,784	441,427
Investment in associates	-	3,020
Other unallocated amounts	167,708	13,153
Consolidated total assets	378,492	457,600
<b>Liabilities</b>		
Total liabilities for reportable segments	166,884	261,329
Other unallocated amounts	55,415	32,397
Consolidated total liabilities	222,299	293,726

	Year 2016			Year 2015		
	Reportable segment total	Adjustments	Consolidated total	Reportable segment total	Adjustments	Consolidated total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Other material items</b>						
Finance income	1,827	(136)	1,691	967	(104)	863
Finance costs	(6,211)	(539)	(6,750)	(6,935)	(85)	(7,020)
Capital expenditure	28,203	2	28,205	22,357	28	22,385
Depreciation	(36,956)	(56)	(37,012)	(39,682)	(70)	(39,752)
Fair value profit/(loss) on financial derivatives	-	7,085	7,085	-	(2,805)	(2,805)

## Geographical segments

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue		Non-current assets	
	Year 2016	Year 2015	Year 2016	Year 2015
	S\$'000	S\$'000	S\$'000	S\$'000
People's Republic of China	336,491	379,898	67,312	147,246
Singapore	21,092	14,561	13,022	1,799
Thailand	172,862	170,947	41,378	28,855
United States of America	49,753	45,413	2,664	2,802
Other countries	38,105	39,859	736	-
	618,303	650,678	125,112	180,702

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Paragraph 8.

17 A breakdown of sales as follows :-

	Group		
	Year 2016	Year 2015	Increase/ (Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	289,902	317,431	(8.7)
(b) Operating profit after tax before deducting minority interests reported for first half year	609	5,702	(89.3)
(c) Sales reported for second half year	328,401	333,247	(1.5)
(d) Operating loss after tax before deducting minority interests reported for second half year	(10)	(93,027)	n.m.

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	FY2016 (S\$'000)	FY2015 (S\$'000)
Ordinary	40,025	-
Preference	-	-
<b>Total</b>	<b>40,025</b>	<b>-</b>

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the former below.  
If there are no such person, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Wong Yi Chun	28	Brother of Wong Yi Jia, Non-Executive Director and son of the Substantial Shareholder, Lau Leok Yee.	Project Manager, 2016	N.A.

Save as disclosed above, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company

**By Order of the Board**

Lew Syn Pau  
Chairman  
March 1, 2017