

BROADWAY INDUSTRIAL GROUP LIMITED

Company Registration No. 199405266K

Unaudited Condensed Interim Financial Statements

For the Six Months Ended and Full Year Ended 31 December 2022

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Broadway Industrial Group Limited
Unaudited Condensed Interim Financial Statements
For the Six Months Ended and Full Year Ended 31 December 2022

A Condensed interim consolidated statement of profit or loss and other comprehensive Income

	Notes	Group 6 months ended			Group 12 months ended		
		31 Dec 2022	31 Dec 2021	Change	31 Dec 2022	31 Dec 2021	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4	124,007	260,051	(52.3)	352,391	471,410	(25.2)
Cost of sales		(118,466)	(240,093)	(50.7)	(331,231)	(436,754)	(24.2)
Gross profit		5,541	19,958	(72.2)	21,160	34,656	(38.9)
Distribution expenses		(404)	(1,329)	(69.6)	(1,099)	(2,186)	(49.7)
Administrative expenses		(3,746)	(8,511)	(56.0)	(9,471)	(14,522)	(34.8)
Sales and marketing expenses		(431)	(212)	103.3	(898)	(540)	66.3
Research and development expenses		(427)	(206)	107.3	(664)	(591)	12.4
Other expenses	5	(648)	(1,487)	(56.4)	(640)	(476)	34.5
Results from operating activities		(115)	8,213	n.m.	8,388	16,341	(48.7)
Finance income		13	13	-	25	39	(35.9)
Finance costs		(886)	(551)	60.8	(1,658)	(1,125)	47.4
Net finance costs		(873)	(538)	62.3	(1,633)	(1,086)	50.4
(Loss)/Profit before income tax	6	(988)	7,675	n.m.	6,755	15,255	(55.7)
Income tax expense	7	(499)	(610)	(18.2)	(1,053)	(828)	27.2
(Loss)/Profit for the period		(1,487)	7,065	n.m.	5,702	14,427	(60.5)
<u>Other comprehensive (loss)/income :</u>							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations, net of tax		(2,832)	308	n.m.	(727)	1,409	n.m.
Total comprehensive (loss)/income		(4,319)	7,373	n.m.	4,975	15,836	(68.6)
(Loss)/Profit for the period attributable to :							
Owners of the Company		(1,183)	7,439	n.m.	6,278	15,269	(58.9)
Non-controlling interests		(304)	(374)	(18.7)	(576)	(842)	(31.6)
		(1,487)	7,065	n.m.	5,702	14,427	(60.5)
Total comprehensive (loss)/income attributable to :							
Owners of the Company		(3,982)	7,726	n.m.	5,598	16,615	(66.3)
Non-controlling interests		(337)	(353)	(4.5)	(623)	(779)	(20.0)
Total comprehensive (loss)/income		(4,319)	7,373	n.m.	4,975	15,836	(68.6)
<u>Earnings per share for (loss)/profit for the period attributable to the owners of the Company</u>							
		Group 6 months ended			Group 12 months ended		
		31 Dec 2022	31 Dec 2021	Change	31 Dec 2022	31 Dec 2021	Change
		Cents	Cents	%	Cents	Cents	%
Basic	8	(0.26)	1.59	n.m.	1.38	3.27	(57.8)
Diluted	8	(0.26)	1.59	n.m.	1.38	3.27	(57.8)
n.m. - not meaningful							

B Condensed interim statements of financial position

	Notes	Group		Company	
		31 Dec	31 Dec	31 Dec	31 Dec
		2022	2021	2022	2021
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Property, plant and equipment	11	63,778	71,400	235	39
Right-of-use assets		5,443	5,289	512	120
Investments in subsidiaries		-	-	104,000	106,400
Other assets		52	52	52	52
Other receivables		-	-	359	1,971
Total non-current assets		69,273	76,741	105,158	108,582
Inventories		28,032	39,735	-	-
Trade and other receivables		25,704	83,470	10,395	11,907
Other assets		1,138	1,116	17	12
Cash and cash equivalents		29,360	27,664	653	9,810
Total current assets		84,234	151,985	11,065	21,729
Total assets		153,507	228,726	116,223	130,311
EQUITY AND LIABILITIES					
Equity					
Share capital	12	113,163	113,166	113,163	113,166
(Accumulated losses)/Retained earnings		(8,316)	(10,041)	4,296	16,556
Other reserves		(17,672)	(16,266)	(2,643)	(1,917)
Equity attributable to owners of the Company		87,175	86,859	114,816	127,805
Non-controlling interests		801	887	-	-
Total equity		87,976	87,746	114,816	127,805
Other liabilities		1,907	2,019	-	-
Lease liabilities		4,194	3,927	276	-
Loans and borrowings	13	-	5,627	-	-
Total non-current liabilities		6,101	11,573	276	-
Income tax payable		3,838	3,909	5	5
Trade and other payables		47,240	118,131	950	2,384
Loans and borrowings	13	6,805	5,627	-	-
Lease liabilities		1,547	1,740	176	117
Total current liabilities		59,430	129,407	1,131	2,506
Total liabilities		65,531	140,980	1,407	2,506
Total equity and liabilities		153,507	228,726	116,223	130,311

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C Condensed interim statements of changes in equity

The Group	Other reserves					(Accumulated losses)/ 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	Treasury shares S\$'000	Capital reserve S\$'000	Share-based payment reserve S\$'000	Translation reserve S\$'000				
Balance at 1 January 2022	113,166	(2,320)	2,924	403	(17,273)	(10,041)	86,859	887	87,746
Total comprehensive (loss)/income for the year	-	-	-	-	(680)	6,278	5,598	(623)	4,975
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	537	537
Purchase of treasury shares	-	(729)	-	-	-	-	(729)	-	(729)
Share-based payment	(3)	6	-	(3)	-	-	-	-	-
Dividend paid	-	-	-	-	-	(4,553)	(4,553)	-	(4,553)
Balance at 31 Dec 2022	113,163	(3,043)	2,924	400	(17,953)	(8,316)	87,175	801	87,976
Balance at 1 January 2021	113,164	(396)	2,924	423	(18,619)	(22,969)	74,527	1,666	76,193
Total comprehensive income/(loss) for the year	-	-	-	-	1,346	15,269	16,615	(779)	15,836
Purchase of treasury shares	-	(1,930)	-	-	-	-	(1,930)	-	(1,930)
Share-based payment	2	6	-	(20)	-	-	(12)	-	(12)
Dividend paid	-	-	-	-	-	(2,341)	(2,341)	-	(2,341)
Balance at 31 December 2021	113,166	(2,320)	2,924	403	(17,273)	(10,041)	86,859	887	87,746

The Company	Other reserves				Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Share-based payment reserve S\$'000	Retained earnings/ (accumulated losses) S\$'000	
Balance at 1 January 2022	113,166	(2,320)	403	16,556	127,805
Total comprehensive loss for the year	-	-	-	(7,707)	(7,707)
Purchase of treasury shares	-	(729)	-	-	(729)
Share-based payment	(3)	6	(3)	-	-
Dividend paid	-	-	-	(4,553)	(4,553)
Balance at 31 Dec 2022	113,163	(3,043)	400	4,296	114,816
Balance at 1 January 2021	113,164	(396)	423	(3,204)	109,987
Total comprehensive income for the year	-	-	-	22,101	22,101
Purchase of treasury shares	-	(1,930)	-	-	(1,930)
Share-based payment	2	6	(20)	-	(12)
Dividends paid	-	-	-	(2,341)	(2,341)
Balance at 31 December 2021	113,166	(2,320)	403	16,556	127,805

Broadway Industrial Group Limited**Unaudited Condensed Interim Financial Statements**

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D Condensed interim consolidated statement of cash flows

	Group	
	12 months ended	
	31 Dec	31 Dec
	2022	2021
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	6,755	15,255
(Reversal of)/Allowance for inventory obsolescence	(174)	147
Depreciation of property, plant and equipment	11,439	11,805
Depreciation of right-of-use assets	1,758	1,589
Equity-settled share-based payment transactions	-	(12)
Loss on disposal of property, plant and equipment	54	13
Impairment loss on goodwill	-	2,374
Reversal of provision for costs associated with product quality	(842)	-
Write-back of allowance of doubtful receivables	-	(30)
Interest expense	1,658	1,125
Interest income	(25)	(39)
Operating cash flows before changes in working capital	20,623	32,227
Inventories	11,933	(11,299)
Trade and other receivables	58,788	(24,274)
Other assets	(50)	50
Trade and other payables	(70,676)	16,791
Other liabilities	(103)	196
Net cash flows from operations	20,515	13,691
Income tax paid	(1,104)	(666)
Net cash flows from operating activities	19,411	13,025
Cash flows from investing activities		
Capital contribution by non-controlling interest	537	-
Purchase of property, plant and equipment	(4,743)	(5,644)
Proceeds from disposal of property, plant and equipment	136	130
Acquisition of other assets	-	(52)
Interest income received	25	39
Net cash flow used in investing activities	(4,045)	(5,527)
Cash flows from financing activities		
Uplift of cash pledged as security	-	5
Proceeds from bank borrowings	6,064	12,665
Repayment of bank borrowings	(10,566)	(14,783)
Dividend paid to equity owners	(4,553)	(2,341)
Payment of principal portion of lease liabilities	(1,836)	(1,480)
Purchase of treasury shares	(729)	(1,930)
Interest expense paid	(1,658)	(1,125)
Net cash flows used in financing activities	(13,278)	(8,989)
Net increase/(decrease) in cash and cash equivalents	2,088	(1,491)
Cash and cash equivalents, beginning balance	27,664	28,990
Effect of exchange rate fluctuations	(392)	165
Cash and cash equivalents, ending balance	29,360	27,664

E Notes to the condensed interim consolidated financial statements

1. Corporation Information

Broadway Industrial Group Limited (the "Company") is incorporated in Singapore with limited liability. The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the Group).

The company is an investment holding company.

The principal activities of the Group are disclosed in Note 4 below.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with the SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

All financial information in these interim financial statements are presented in Singapore dollar and rounded to the nearest thousand ("S\$'000") except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

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4. Segment and revenue information

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standards on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the group.

For management purposes, the group is organised into the following major strategic operating segments that offer different products and services: (1) hard disk drive ("HDD"); (2) robotics; and (3) others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance.

The segments and the types of products and services are as follows:

(1) HDD segment - This segment comprises the manufacturing and distribution of actuator arms and related assembly for the hard disk industry.

(2) Robotics segment - This segment comprises the provision of technical services, technology transfer, technology development, technology promotion, technical consultation and sales of robots, software and accessory devices for the robotics, manufacturing and services industries.

(3) Others segment - This segment comprises mainly investment holding.

4.1 Reportable segments

The following tables illustrate the information about the reportable segment profit or loss, assets, liabilities and other material items

	HDD	Robotics	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
From 1 July 2022 to 31 December 2022				
Revenue to external customers	124,011	(4)	-	124,007
EBITDA	7,710	(877)	(498)	6,335
Net finance costs	(867)	-	(6)	(873)
Depreciation expense	(6,351)	(81)	(18)	(6,450)
Profit/(Loss) before income tax	492	(958)	(522)	(988)
Income tax expense	(345)	-	(154)	(499)
Profit/(Loss), net of tax	147	(958)	(676)	(1,487)
Total assets for reportable segments	152,080	926	501	153,507
Total liabilities for reportable segments	65,081	120	330	65,531
Capital expenditure	2,268	68	22	2,358
From 1 July 2021 to 31 December 2021				
Revenue to external customers	259,976	75	-	260,051
EBITDA	19,172	(3,358)	(977)	14,837
Net finance (costs)/income	(540)	3	(1)	(538)
Depreciation expense	(6,588)	(28)	(8)	(6,624)
Profit/(Loss) before income tax	12,044	(3,383)	(986)	7,675
Income tax expense	(387)	-	(223)	(610)
Profit/(Loss), net of tax	11,657	(3,383)	(1,209)	7,065
Total assets for reportable segments	224,834	2,284	1,608	228,726
Total liabilities for reportable segments	139,978	138	864	140,980
Capital expenditure	2,720	46	-	2,766

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	HDD	Robotics	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
From 1 January 2022 to 31 December 2022				
Revenue to external customers	352,300	91	-	352,391
EBITDA	23,813	(1,651)	(577)	21,585
Net finance (costs)/income	(1,627)	1	(7)	(1,633)
Depreciation expense	(13,061)	(110)	(26)	(13,197)
Profit/(Loss) before income tax	9,125	(1,760)	(610)	6,755
Income tax expense	(894)	-	(159)	(1,053)
Profit/(Loss), net of tax	8,231	(1,760)	(769)	5,702
Total assets for reportable segments	152,080	926	501	153,507
Total liabilities for reportable segments	65,081	120	330	65,531
Capital expenditure	4,112	80	27	4,219
From 1 January 2021 to 31 December 2021				
Revenue to external customers	471,314	96	-	471,410
EBITDA	35,729	(4,510)	(1,484)	29,735
Net finance (costs)/income	(1,102)	19	(3)	(1,086)
Depreciation expense	(13,341)	(37)	(16)	(13,394)
Profit/(Loss) before income tax	21,286	(4,528)	(1,503)	15,255
Income tax expense	(604)	-	(224)	(828)
Profit/(Loss), net of tax	20,682	(4,528)	(1,727)	14,427
Total assets for reportable segments	224,834	2,284	1,608	228,726
Total liabilities for reportable segments	139,978	138	864	140,980
Capital expenditure	4,290	156	-	4,446

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4.2 Geographical information

Singapore is the country of domicile of the Company. The principal activity of the Company is investment holding. The Company's subsidiaries in the reportable segment are primarily located in the People's Republic of China, Thailand and Singapore.

In presenting information on the basis of geographical segments, revenue is attributable to countries on the geographical location of customers and the non-current assets are analysed by the geographical area in which the assets are located:

	Group Revenue 6 months ended		Group Revenue 12 months ended		Group Non-Current Assets	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Thailand	91,778	174,728	244,032	312,091	42,030	46,508
People's Republic of China	31,923	85,321	107,828	159,048	26,335	30,014
Singapore	-	-	-	-	889	219
Other countries	306	2	531	271	19	-
Total	124,007	260,051	352,391	471,410	69,273	76,741

A breakdown of sales as follows :-

	Group		
	Year 2022	Year 2021	Increase/ (Decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	228,384	211,359	8.1%
Operating profit after tax before deducting non-controlling interests reported for first half year	7,189	7,362	-2.3%
Sales reported for second half year	124,007	260,051	-52.3%
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(1,487)	7,065	-121.0%

5. Other Income/(expenses)

	Group 6 months ended		Group 12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Foreign exchange (losses)/gains, net	(1,340)	213	(683)	706
Unrealised fair value gains on financial derivatives, net	616	-	-	-
Loss on disposal of property, plant & equipment	(5)	(43)	(54)	(13)
Scrap income	482	849	1,354	1,736
Government grants	312	337	463	537
Reversal of allowance for doubtful receivables	-	-	-	30
Insurance claims	59	-	147	-
Redundancy costs	(1,476)	(253)	(2,515)	(907)
Reversal of/(Allowance for) inventory obsolescence	156	(116)	156	(116)
Costs associated with product quality	829	(192)	829	(192)
Impairment loss on goodwill	-	(2,374)	-	(2,374)
Others	(281)	92	(337)	117
Total	(648)	(1,487)	(640)	(476)

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6. (Loss)/Profit before income tax included

	Group		Group	
	6 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	(5,596)	(5,822)	(11,439)	(11,805)
Depreciation of right-of-use assets	(854)	(802)	(1,758)	(1,589)

7. Income tax expense

	Group		Group	
	6 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expenses	(348)	(403)	(852)	(621)
Under provision in prior years	(1)	-	(51)	-
Withholding tax on dividend income	(150)	(207)	(150)	(207)
	(499)	(610)	(1,053)	(828)

8. Earnings per share

The numerators and denominators used to calculate basic and diluted earnings per share of no par value are as follows :

	Group		Group	
	6 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Numerators :				
(Loss)/Profit attributable to owners of the Company	(1,183)	7,439	6,278	15,269
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	'000	'000	'000	'000
Denominators:				
Weighted average numbers of equity shares (basic)	455,357	466,562	455,357	466,562
Unreleased share awards effect	17	75	17	75
Weighted average numbers of equity shares (diluted)	455,374	466,637	455,374	466,637

9. Dividends

	Group	
	Financial	Financial
	Year	Year
	2022	2021
	S\$'000	S\$'000
Ordinary dividends paid:		
Interim exempt 2021 dividend of 0.5 cents per share (paid on 9/9/2021)	-	2,341
Final exempt 2021 dividend of 0.5 cents per share (paid on 6/5/2022)	2,277	-
Special exempt 2021 dividend of 0.5 cents per share (paid on 6/5/2022)	2,276	-
Total	4,553	2,341

10. Net asset value

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	19.17	18.95	25.25	27.89

Net asset value per ordinary share is calculated based on 454,656,461 ordinary shares as at 31 December 2022 (31 December 2021 : 458,281,561 ordinary shares).

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11. Property, plant and equipment

During the year ended 2022, the group acquired assets, mainly for manufacturing equipment, amounting to S\$4.2 million (31 December 2021: S\$4.4 million) and disposed assets that had net carrying value of S\$0.2 million (31 December 2021: S\$0.1 million).

12. Share Capital

	Group and Company			
	31 Dec 2022		31 Dec 2021	
	Number of shares '000	Share Capital S\$'000	Number of shares '000	Share Capital S\$'000
Balance beginning of the year	471,914	113,166	471,914	113,164
Shares issued under BIGL Share Plan	-	(3)	-	2
Balance at end of the year	471,914	113,163	471,914	113,166

During the period, 40,000 treasury shares were issued to our employees pursuant to the BIGL Share Plan.

As at 31 December 2022, there were nil (31 December 2021 : 40,000) outstanding shares in respect of unissued ordinary shares under the BIGL Share Plan.

As at 31 December 2022, there were 17,258,150 (31 December 2021 : 13,633,050) shares held as treasury shares.

Total number of issued shares excluding treasury shares as at 31 December 2022 was 454,656,461 (31 December 2021 : 458,281,561).

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

13. Borrowings

	Group 31 Dec 2022		Group 31 Dec 2021	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	6,805	-	5,627	-
Amount repayable after one year	-	-	5,627	-
Total	6,805	-	11,254	-

Details of any collaterals

The Group's borrowings and debt securities relate to bank loans which are guaranteed by a subsidiary in the Group and are secured by land and buildings of a subsidiary.

14. Financial assets and financial liabilities

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Long term receivables	-	-	359	1,971
Trade and other receivables	25,704	83,470	10,395	11,907
Cash and cash equivalents	29,360	27,664	653	9,810
Total	55,064	111,134	11,407	23,688
Financial Liabilities				
Loans and borrowings	6,805	11,254	-	-
Lease Liabilities	5,741	5,667	452	117
Trade and other payables	47,240	118,131	950	2,384
Total	59,786	135,052	1,402	2,501

15. Subsequent Event

There are no known subsequent events which have led to adjustments to this set of unaudited condensed interim consolidated financial statements.

Other Information Required by Listing Rule Appendix 7.2

Broadway Industrial Group Limited
Unaudited Condensed Interim Financial Statements
For the Six Months Ended and Full Year Ended 31 December 2022

Other Information

1. Review

The condensed consolidated statement of financial position of Broadway Industrial Group Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

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.

Revenue and Gross Profit

The Group's revenue reduced by 25.2% from S\$471.4 million in FY2021 to S\$352.4 million in FY2022, explained by the weak demand for HDD products in the six months ended 31 December 2022 ("2H2022"). This is consistent with the decline in HDD end customers demand due to OEM inventory corrections and significant lower cloud demand at hyperscale customers in the second half of the year.

The Group's gross profit margin decreased from 7.4% in FY2021 to 6.0% in FY2022. The lower margin in FY2022 was mainly due to underutilisation of manufacturing capacity and resources in 2H2022.

Operating Expenses

In line with the drop in revenue, the Group's distribution expenses decreased by 49.7% from S\$2.2 million in FY2021 to S\$1.1 million in FY2022.

Administration expenses decreased by 34.8% from S\$14.5 million in FY2021 to S\$9.5 million in FY2022, mainly due to lower staff related costs and lower professional fees in FY2022.

Sales and marketing expenses increased by 66.3% from S\$0.54 million in FY2021 to S\$0.90 million in FY2022, mainly due to higher staff related costs in the robotics business in FY2022.

Research and development expenses increased 12.4% from S\$0.59 million in FY2021 to S\$0.66 million in FY2022, mainly due to higher professional fees and consumable expenses offset by lower staff related costs in the robotics business in FY2022.

The Group recorded net other expenses of S\$0.64 million in FY2022 as compared to S\$0.48 million in FY2021. The net other income in FY2022 comprised mainly scrap income, government grants, reversal of provision for costs associated with product quality, insurance claim offset by foreign exchange losses, loss on disposal of property, plant and equipment and headcount redundancy costs. The redundancy costs were primarily from the alignment of manufacturing resources and capacity to the new demand dynamics. The net other income in FY2021 comprised mainly foreign exchange gain, government grants, scrap income and offset by impairment loss on goodwill and redundancy costs.

Net Finance Costs

The Group recorded higher net finance costs of S\$1.6 million in FY2022 as compared to S\$1.1 million in FY2021, mainly due to higher financing charges and higher interest rate.

Tax Expense

The Group recorded tax expense of S\$1.1 million in FY2022 as compared to S\$0.8 million in FY2021. The higher tax expense in FY2022 was mainly due to taxable income generated in Thailand and in one of the entities in China.

Net Profit

The Group recorded a net profit after tax of S\$5.7 million in FY2022 as compared to S\$14.4 million in FY2021. The decrease was mainly due to lower revenue generated in 2H2022 as a result of the weak demand, lower gross profit margins in FY2022, higher financing costs and higher tax expense in FY2022.

Earnings Per Share

The Group's earnings per share was 1.38 cents in FY2022 as compared to 3.27 cents in FY2021.

Balance Sheet

The Group's net working capital increased by S\$2.2 million from S\$22.6 million as at 31 December 2021 to S\$24.8 million as at 31 December 2022. The improvement came from the decrease in current liabilities of S\$70.0 million, mainly as a result of lower trade and other payables. This was offset by the decrease in current assets of S\$67.8 million, mainly due to lower trade and other receivables of S\$57.8 million and inventories of S\$11.7 million offset by S\$1.7 million increase in cash and cash equivalent.

The net asset value per share of the Group increased by 1.2% from 18.95 cents as at 31 December 2021 to 19.17 cents as at 31 December 2022.

Cash Flow

The Group recorded net cash generated from operating activities of S\$19.4 million in FY2022, as compared to net cash used in operating activities of S\$13.0 million in FY2021.

The Group recorded net cash used in investing activities of S\$4.0 million in FY2022 as compared to S\$5.5 million in FY2021. The investing activities in FY2022 were mainly for net repayment of bank borrowings and interest of S\$6.2 million (FY2021 : S\$3.2 million) in FY2021. The Group received S\$0.5 million (US\$0.4 million equivalent) capital contribution from the minority shareholder of a newly set up entity in the Republic of Korea, BIGL Korea Co., Ltd., in December 2022.

The Group recorded net cash used in financing activities of S\$13.3 million in FY2022 as compared to S\$9.0 million in FY2021. The financing activities in FY2022 were mainly for net repayment of bank borrowings and interest of S\$6.2 million (FY2021 : S\$3.2 million), dividend paid to shareholders of S\$4.6 million (FY2021 : S\$2.3 million), purchase of treasury shares of S\$0.7 million (FY2021 : S\$1.9 million) and payment of lease liabilities of S\$1.8 million (FY2021 : S\$1.5 million).

Cash and cash equivalents as at 31 December 2022 increased to S\$29.4 million as compared to S\$27.7 million as at 31 December 2021, principally due to cash generated from operating activities.

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

On 11 January 2023, the Company announced a profit guidance that the Group was likely to report a net loss for 2H2022 as compared to the net profit for the six months ended 30 June 2022 ("1H2022").

The Group recorded a net loss of S\$1.5 million for 2H2022 when compared to the net profit of S\$7.2 million for 1H2022.

4. 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 operating period and the next 12 months.

In the second half of 2022, HDD volume took a sharp dip due to very challenging market conditions that were caused by inventory corrections in the industry (especially at the cloud and enterprise segments), macroeconomic uncertainties and geopolitical tensions. The Group responded to these challenges by aligning the build volume to the demand, aggressively reducing the operating and labour costs, and prudently managing the working capital. These efforts helped to moderate the Group's losses in the second half of 2022. On a full year basis, the Group remained profitable and generated S\$19.4 million cash from operating activities.

As we enter 2023, the HDD industry outlook remains challenging. The ongoing economic headwinds and geopolitical tensions may continue to limit seasonal demand dynamics, especially at the OEM cloud segment. The Group has and will continue to take the necessary measures to align its manufacturing capacity to the demand dynamics and reduce its operating costs and bolster margins. The Group remains cautiously optimistic about the longer-term prospects of the HDD business as the demand for mass storage, particularly in the high performance enterprise and nearline HDD products, is expected to remain strong and growing.

Whilst countries are transitioning to post COVID-19 regime by re-opening their borders, the Group will continue to retain certain COVID-19 related preventive measures at all its facilities to safeguard the health and safety of our employees and other stakeholders.

In 2022, the revenue contribution of the Group's robotics business was negligible. The Group remains in discussion with cleaning industry partners to evaluate and launch the façade cleaning robot in the Singapore market. In addition, the Group continues to collaborate with selected robotics companies in China, leveraging the research and development capabilities in Beijing and the portfolio of intellectual property to develop and sell service robots customised for different industries. The robotics business is not expected to make a significant contribution to the Group's revenue in 2023.

The Company had on 2 September 2022, 11 November 2022 and 2 December 2022 made announcements in relation to the proposed joint venture in the Republic of Korea. In December 2022, the Company's wholly-owned subsidiary, BIGL Asia Pte. Ltd. ("BASG"), established a joint venture company ("JVCo") with a Korean company. The Group holds a majority of the equity ownership of the JVCo that will set up a manufacturing facility in Vietnam and establish a sales office in the Republic of Korea. Leveraging the Group's machining competencies, the JVCo paves the way for the Group to further diversify into the manufacture and sale of a broader range of parts and components for wireless network products as well as microwave systems and automotives. The manufacturing facility is expected to commence operations in the second half of 2023.

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On 1 July 2021, BASG and BIGL Technologies (Shenzhen) Co., Ltd. issued a notice of termination of the Share Purchase Agreement ("SPA") to Suzhou Gefan Hardware and Plastic Industrial Co., Ltd. and Seksun Technology (Suzhou) Co., Ltd in accordance with the terms and conditions of the SPA. Please refer to the Company's announcements made on 1 July 2021, 12 July 2021, 12 October 2021, 17 January 2022 and 25 April 2022 for material updates in respect of the termination.

The Company would like to update that there have been two hearings of the arbitration in March and in June 2022, and it has been notified by the China International Economic and Trade Arbitration Commission of a further extension of the time period for rendering an arbitral award to 10 April 2023. The Company will make further announcements to update shareholders when there are material updates in respect of the matter.

5. Dividend Information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? No

No dividend has been declared or recommended in view of challenging market conditions and the ongoing economic headwinds in the HDD industry.

5b. Corresponding Period of the Immediate Preceding financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend per share	0.5 cents	0.5 cents	0.5 cents
Tax Rate	Tax exempt	Tax exempt	Tax exempt
Date of payment	9/9/2021	6/5/2022	6/5/2022

5c. Date Payable

N.A.

5d. Books Closure Date

Date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined:

N.A.

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. 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 received undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Review of performance of the Group - turnover and earnings

Please refer to note 2 in other information.

Broadway Industrial Group Limited**Unaudited Condensed Interim Financial Statements****For the Six Months Ended and Full Year Ended 31 December 2022**

9. Disclosure of person occupying managerial positions who are related to a director, CEO or substantial shareholder

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 Ning	38	Sister of Wong Yi Jia, Non-Executive Director and daughter of Lau Leok Yee, Substantial Shareholder	Senior Manager, Financial Planning and Analysis 2021	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, chief executive officer or substantial shareholder of the Company.

By Order of the Board

Lew Syn Pau
Chairman
28th February 2023