



BROADWAY INDUSTRIAL GROUP LIMITED

(Company Registration No. 199405266K)

(Incorporated in Singapore)

**UPDATE IN RELATION TO THE PROPOSED ACQUISITION OF
55% EQUITY INTEREST IN BEIJING ANT BROTHERS TECHNOLOGY CO., LTD**

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Broadway Industrial Group Limited (the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”) refers to the Company’s announcements dated 21 January 2020 and 14 February 2020 (the “**Announcements**”) in relation to the Proposed Acquisition of a 55% equity interest in Beijing Ant Brothers Technology Co., Ltd for the total subscription price of S\$5,000,000.

Unless otherwise defined, all capitalised terms shall bear the same meanings as ascribed to them in the Announcements.

2. PAYMENT OF FIRST INSTALMENT OF FIRST SUBSCRIPTION PRICE

As part of the conditions precedent to the EPA, payment of the first instalment of the First Subscription Price (“**First Instalment**”) was conditional upon the Original Parties having executed (i) a shareholders’ agreement (“**SHA**”); (ii) an amended articles of association of BAB (“**Articles**”); and (iii) other documents related to the Equity Subscription including an agreement regarding key performance indicators for BAB (“**KPI Agreement**”) (collectively, “**First Instalment CPs**”).

Following (a) the fulfilment of the First Instalment CPs; and (b) the receipt and verification of funds from BIGL Enterprises (Singapore) Pte Ltd pursuant to the Supplementary Agreement, BIGL Beijing had on 25 March 2020 paid the First Instalment in Renminbi amounting to an equivalent of S\$500,000 to BAB. As a result, BIGL Beijing’s shareholding in BAB was 10.89%.

Additionally, in connection with the Supplementary Agreement, BIGL Beijing and the Founding Shareholders had executed an amended Articles on 30 March 2020 to reflect the transfer of all the rights and obligations of the Company under the EPA to BIGL Beijing. Further, the Original Parties intend to enter into a (i) supplemental agreement to the SHA with BIGL Beijing; and (ii) a supplementary agreement to the KPI Agreement with BIGL Beijing, to effect the same.

3. SECOND SUPPLEMENTARY AGREEMENT TO THE EPA

Pursuant to the EPA and the Supplementary Agreement, the Subscription Price shall be paid by BIGL Beijing to the BAB in Singapore dollars; while the Subscription Price shall be added to BAB’s registered capital or capital reserve (as the case may be) in Renminbi. In view of (i) the requirement by BIGL Beijing’s bank to pay the Subscription Price in RMB equivalent and (ii) to manage the foreign exchange volatility, BAB, Weijie Wang, Ant Home and BIGL Beijing have on 29 April 2020 entered into a second supplementary agreement to the EPA (“**Second Supplementary Agreement**”) pursuant to which the parties agreed, amongst others, that all amounts payable under the EPA and the Supplementary Agreement shall be paid in Renminbi, assuming a fixed exchange rate of S\$1 : RMB5. Such amounts include but are not limited to:



- (a) the second instalment of the First Subscription Price, which shall be RMB5,000,000 (“**Second Instalment**”);
- (b) the Second Subscription Price, which shall be RMB7,500,000;
- (c) the Third Subscription Price, which shall be RMB5,000,000; and
- (d) the Fourth Subscription Price, which shall be RMB5,000,000.

4. PAYMENT OF SECOND INSTALMENT OF FIRST SUBSCRIPTION PRICE

Pursuant to the Supplementary Agreement, BAB has repaid the Loan in the currency of Renminbi to BIGL Beijing on 30 March 2020. Following the repayment of the Loan from BAB to BIGL Beijing, BIGL Beijing shall pay the Second Instalment to BAB in accordance with Article 8(1) of the EPA.

The Board wishes to announce that the conditions precedent for payment of the Second Instalment pursuant to Article 11(2) of the EPA have been fulfilled, and in accordance with the above, BIGL Beijing has paid the Second Instalment on 30 April 2020. As a result of payment of the Second Instalment, BIGL Beijing's shareholding in BAB has increased from 10.89% to 26.83%, such that BAB is now an associated company of the Group pursuant to the Listing Manual.

The payment of the Second Instalment is not expected to have a material impact on the net tangible assets or earning per share of the Group for the second quarter ending 30 June 2020.

5. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Acquisition.

By Order of the Board

BROADWAY INDUSTRIAL GROUP LIMITED

4 May 2020