

BROADWAY INDUSTRIAL GROUP LIMITED

Company Registration No. 199405266K

Unaudited Condensed Interim Financial Statements

For the Six Months Ended 30 June 2021

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

	Notes	Group 6 months ended		Change %
		30 Jun 2021 S\$'000	30 Jun 2020 S\$'000	
Revenue	4	211,359	191,130	10.6
Cost of sales		(196,661)	(178,393)	10.2
Gross profit		14,698	12,737	15.4
Distribution expenses		(857)	(730)	17.4
Administrative expenses		(6,011)	(5,163)	16.4
Sales and marketing expenses		(328)	(178)	84.3
Research and development expenses		(385)	-	n.m.
Other income	5	1,011	1,039	(2.7)
Results from operating activities		8,128	7,705	5.5
Finance income		26	8	n.m.
Finance costs		(574)	(688)	(16.6)
Net finance costs		(548)	(680)	(19.4)
Profit before income tax	6	7,580	7,025	7.9
Income tax expense	7	(218)	(261)	(16.5)
Profit for the period		7,362	6,764	8.8
Other comprehensive income :				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations, net of tax		1,101	1,399	(21.3)
Total comprehensive income		8,463	8,163	3.7
Profit for the period attributable to :				
Owners of the Company		7,830	6,764	15.8
Non-controlling interests		(468)	-	n.m.
		7,362	6,764	8.8
Total comprehensive income/(loss) attributable to :				
Owners of the Company		8,889	8,162	8.9
Non-controlling interests		(426)	1	n.m.
Total comprehensive income		8,463	8,163	3.7
<u>Earnings per share for profit for the period attributable to the owners of the Company during the period</u>				
		Group 6 months ended		
		30 Jun 2021 Cents	30 Jun 2020 Cents	Change %
Basic	8	1.67	1.44	15.7
Diluted	8	1.67	1.44	15.7
n.m. - not meaningful				

B Condensed interim statements of financial position

	Notes	Group		Company	
		30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
		S\$'000	Restated S\$'000	S\$'000	S\$'000
ASSETS					
Property, plant and equipment	10	74,167	77,277	47	55
Right-of-use assets		5,657	6,348	191	263
Goodwill	11	2,374	2,374	-	-
Investments in subsidiaries		-	-	91,400	91,400
Other receivables		-	-	5,357	5,314
Total non-current assets		82,198	85,999	96,995	97,032
Inventories		29,378	27,921	-	-
Trade and other receivables		77,471	57,786	19,652	13,355
Other assets		1,658	1,140	3	1
Cash and cash equivalents		24,718	28,995	1,447	1,777
Total current assets		133,225	115,842	21,102	15,133
Total assets		215,423	201,841	118,097	112,165
EQUITY AND LIABILITIES					
Equity					
Share capital	12	113,166	113,164	113,166	113,164
(Accumulated losses)/Retained earnings		(15,139)	(22,969)	3,854	(3,204)
Other reserves		(14,623)	(15,668)	13	27
Equity attributable to owners of the Company		83,404	74,527	117,033	109,987
Non-controlling interests		1,240	1,666	-	-
Total equity		84,644	76,193	117,033	109,987
Loans and borrowings	13	8,401	11,017	-	-
Other liabilities		1,913	1,783	-	-
Lease liabilities		4,473	5,158	47	117
Other payables		491	888	-	-
Total non-current liabilities		15,278	18,846	47	117
Income tax payable		3,929	3,668	5	5
Loans and borrowings	13	8,222	2,204	-	-
Lease liabilities		1,521	1,452	138	135
Trade and other payables		101,829	99,478	874	1,921
Total current liabilities		115,501	106,802	1,017	2,061
Total liabilities		130,779	125,648	1,064	2,178
Total equity and liabilities		215,423	201,841	118,097	112,165

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 2021	113,164	(396)	2,924	423	(18,619)	(22,969)	74,527	1,666	76,193
Total comprehensive income/(loss) for the period	-	-	-	-	1,059	7,830	8,889	(426)	8,463
Share-based payment	2	6	-	(20)	-	-	(12)	-	(12)
Balance at 30 June 2021	113,166	(390)	2,924	403	(17,560)	(15,139)	83,404	1,240	84,644
Balance at 1 January 2020	113,163	(404)	2,924	435	(17,206)	(37,082)	61,830	24	61,854
Total comprehensive income for the period	-	-	-	-	1,398	6,764	8,162	1	8,163
Share-based payment	1	8	-	(12)	-	-	(3)	-	(3)
Balance at 30 June 2020	113,164	(396)	2,924	423	(15,808)	(30,318)	69,989	25	70,014

The Company	Other reserves					Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Share-based payment reserve S\$'000	(Accumulated losses)/ retained earnings S\$'000		
Balance at 1 January 2021						109,987
Total comprehensive income for the period						7,058
Share-based payment	2	6	(20)			(12)
Balance at 30 June 2021	113,166	(390)	403	3,854		117,033
Balance at 1 January 2020						112,194
Total comprehensive loss for the period						(1,788)
Share-based payment	1	8	(12)			(3)
Balance at 30 June 2020	113,164	(396)	423	(2,788)		110,403

D Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	30 Jun	30 Jun
	2021	2020
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	7,580	7,025
Depreciation of property, plant and equipment	5,983	6,923
Depreciation of right-of-use assets	787	879
Equity-settled share-based payment transactions	(13)	(5)
Fair value losses on financial derivatives, net	-	30
Gains on disposal of property, plant and equipment	(30)	(129)
Reversal of allowance for doubtful receivables	(30)	(129)
Interest expense	574	688
Interest income	(26)	(8)
Operating cash flows before changes in working capital	14,825	15,274
Inventories	(984)	11,908
Trade and other receivables	(18,523)	2,050
Other assets	(494)	(325)
Trade and other payables	720	(2,007)
Other liabilities	99	119
Net cash flows (used in)/from operations	(4,357)	27,019
Income tax paid	(20)	(5,105)
Net cash flows (used in)/from operating activities	(4,377)	21,914
Cash flows from investing activities		
Acquisition of an investment	-	(2,961)
Purchase of property, plant and equipment	(2,076)	(1,745)
Proceeds from disposal of property, plant and equipment	91	129
Interest income received	26	8
Net cash flow used in investing activities	(1,959)	(4,569)
Cash flows from financing activities		
Proceeds from bank borrowings	8,409	65,621
Repayments of bank borrowings	(5,362)	(72,859)
Payment of principal portion of lease liabilities	(717)	(669)
Interest expense paid	(574)	(688)
Net cash flows from/(used in) financing activities	1,756	(8,595)
Net (decrease)/increase in cash and cash equivalents	(4,580)	8,750
Cash and cash equivalents, beginning balance	28,990	8,717
Effect of exchange rate fluctuations	308	(1,510)
Restricted cash (fixed deposits pledged as security)	-	5
Cash and cash equivalents, ending balance	24,718	15,962
<u>Cash flows from discontinued operations are as follows:</u>		
Net cash flows used in operating activities	-	(5,073)
Net decrease in cash and cash equivalents	-	(5,073)

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 30 June 2021 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 30 June 2021 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 annual financial statements for the year ended 31 December 2020.

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 2020.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following note:

Note 11 - Goodwill and its impairment assessment

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) robotic cleaning; 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) Robotic cleaning segment - This segment comprises the provision of technical services, technology transfer, technology development, technology promotion, technical consultation and sales of computer software and accessory devices for the robotic cleaning industry.
- (3) Other segment - This segment comprises the 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 S\$'000	Robotic Cleaning S\$'000	Others S\$'000	FCD & FPS (Disposed) S\$'000	Group Total S\$'000
From 1 January 2021 to 30 June 2021					
Revenue to external customers	211,338	21	-	-	211,359
EBITDA	16,556	(1,151)	(507)	-	14,898
Net finance (costs) / income	(562)	16	(2)	-	(548)
Depreciation expense	(6,753)	(9)	(8)	-	(6,770)
Profit/(Loss) before income tax	9,241	(1,144)	(517)	-	7,580
Income tax expense	(217)	-	(1)	-	(218)
Profit/(Loss), net of tax	9,024	(1,144)	(518)	-	7,362
Total assets for reportable segments	171,318	5,147	38,958	-	215,423
Total liabilities for reportable segments	117,481	47	13,050	201	130,779
Capital expenditure	1,571	110	-	-	1,681
From 1 January 2020 to 30 June 2020					
Revenue to external customers	191,130	-	-	-	191,130
EBITDA	14,760	(94)	841	-	15,507
Net finance (costs)	(677)	(1)	(2)	-	(680)
Depreciation expense	(7,794)	-	(8)	-	(7,802)
Profit/(Loss) before income tax	6,289	(95)	831	-	7,025
Income tax (expense)/income	(357)	-	96	-	(261)
Profit/(Loss), net of tax	5,932	(95)	927	-	6,764
Total assets for reportable segments	139,992	3,083	46,982	-	190,057
Total liabilities for reportable segments	103,200	-	13,344	3,499	120,043
Capital expenditure	810	-	-	-	810

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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 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		Group Non-Current Assets	
	6 months ended			
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Thailand	137,363	129,704	48,941	57,094
People's Republic of China	73,727	61,405	33,017	39,791
Singapore	-	-	240	504
Other countries	269	21	-	-
Total	211,359	191,130	82,198	97,389

5. Other Income

	Group	
	6 months ended	
	30 Jun 2021	30 Jun 2020
	S\$'000	S\$'000
Foreign exchange gains, net	493	238
Unrealised fair value losses on financial derivatives, net	-	(30)
Gains on disposal of property, plant & equipment	30	129
Scrap income	887	393
Government grants	200	262
Reversal of allowance for doubtful receivables	30	129
Redundancy costs	(654)	(118)
Others	25	36
	1,011	1,039

6. Profit before income tax included

	Group	
	6 months ended	
	30 Jun 2021	30 Jun 2020
	S\$'000	S\$'000
Depreciation of property, plant and equipment	(5,983)	(6,923)
Depreciation of right-of-use assets	(787)	(879)

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7. Income tax expense

	Group	
	6 months ended	
	30 Jun	30 Jun
	2021	2020
	S\$'000	S\$'000
Current income tax expenses	(218)	(380)
Over provision in prior years	-	119
	<u>(218)</u>	<u>(261)</u>

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	
	6 months ended	
	30 Jun	30 Jun
	2021	2020
	S\$'000	S\$'000
Numerators :		
Profit attributable to owners of the Company	7,830	6,764
	<u>7,830</u>	<u>6,764</u>
	No. of Shares	
	30 Jun	30 Jun
	2021	2020
	'000	'000
Denominators:		
Weighted average numbers of equity shares (basic)	468,231	468,161
Unreleased share awards effect	110	253
Weighted average numbers of equity shares (diluted)	<u>468,341</u>	<u>468,414</u>

9. Net asset value

	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2021	2020	2021	2020
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	17.81	15.92	24.99	23.49
	<u>17.81</u>	<u>15.92</u>	<u>24.99</u>	<u>23.49</u>

Net asset value per ordinary share is calculated based on 468,281,561 ordinary shares as at 30 June 2021 (31 December 2020 : 468,221,561 ordinary shares).

10. Property, plant and equipment

During the six months ended 30 June 2021, the group acquired assets, mainly for manufacturing equipment, amounting to S\$1.7 million (30 June 2020: S\$0.8 million) and disposal of assets amounting to S\$0.2 million (30 June 2020: S\$0.4 million).

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11. Goodwill

	Group	
	30 Jun	31 Dec
	2021	2020
	S\$'000	S\$'000
<u>Movements in cost</u>		
Balance at beginning of the year	2,374	-
Arising from acquisition of subsidiary	-	2,374
Balance at end of the year	2,374	2,374

Impairment assessment

The Group's goodwill arose from the acquisition of BAB in 2020, which was tested for impairment at the end of the last financial year ended 31 December 2020.

In line with its business plans, the Group's robotic cleaning business launched its glass façade cleaning robot in China in 1H2021. The soft launch was to establish market recognition and gather feedback about our product. At the same time, the market feedback will facilitate our research and development efforts in optimising the capabilities and functionality of our cleaning robots in the actual operating environment. This phase of understanding the Chinese market is expected to extend into the second half of the year.

An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. In determining the recoverable amount, management has considered the fact that BAB is an early-stage and pre-revenue start up technology company with minimal short-term future earnings. Hence it is still too early to gauge the probability and financial impact of the success or failure of BAB and to make reliable cash flow forecasts. Notwithstanding the above, management has considered the milestones as set out in the business plan and the progress of the research and development activities undertaken by BAB. Management assessed and has determined that BAB has achieved the overall objective of the milestones set out in its business plan. Consequently, management concluded that the carrying amount of goodwill is not impaired as at 30 June 2021.

12. Share Capital

	Group and Company			
	30 Jun 2021		31 Dec 2020	
	Number	Share	Number of	Share
	of shares	Capital	shares	Capital
	'000	S\$'000	'000	S\$'000
Balance at 1 January 2021 and 1 January 2020	471,914	113,164	471,914	113,163
Shares issued under BIGL Share Plan	-	2	-	1
Balance at 30 June 2021 and 31 December 2020	471,914	113,166	471,914	113,164

During the period, 60,000 treasury shares were issued to our employees pursuant to the BIGL Share Plan.

As at 30 June 2021, there were 40,000 (30 June 2020 : 180,000) outstanding shares in respect of unissued ordinary shares under the BIGL Share Plan.

As at 30 June 2021, there were 3,633,050 (30 June 2020 : 3,693,050) shares held as treasury shares.

Total number of issued shares excluding treasury shares as at 30 June 2021 was 468,281,561 (30 June 2020 : 468,221,561).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 30 June 2020.

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13. Borrowings

	Group 30 Jun 2021		Group 31 Dec 2020 Restated	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	8,222	-	2,204	-
Amount repayable after one year	8,401	-	11,017	-
Total	16,623	-	13,221	-

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	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
	Restated			
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Trade and other receivables	77,471	57,786	19,652	13,355
Cash and cash equivalents	24,718	28,995	1,447	1,777
Total	102,189	86,781	21,099	15,132
Financial Liabilities				
Loans and borrowings	16,623	13,221	-	-
Lease Liabilities	5,994	6,610	185	252
Trade and other payables	102,320	100,366	874	1,921
Total	124,937	120,197	1,059	2,173

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

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Other Information

1. Review

The condensed consolidated statement of financial position of Broadway Industrial Group Limited and its subsidiary as at 30 June 2021 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 increased by 10.6% from S\$191.1 million in 1H2020 to S\$211.4 million in 1H2021, mainly due to an increase in shipment volume and higher average selling price of our HDD products arising from a shift in our product mix from personal and mobile computing segments to high performance enterprise segment. Our key hard disk drive ("HDD") customers continued to report strong market demand for mass capacity drives, driven by their original equipment manufacturer (OEM) customers and cloud companies.

The Group's gross profit margin increased from 6.7% in 1H2020 to 7.0% in 1H2021, as a result of better manufacturing capacity utilisation from increased shipment volume and continued cost optimisation efforts for the Group's HDD operations.

Operating Expenses

In line with the Group's higher revenue in 1H2021, distribution expenses increased by 17.4% from S\$0.7 million in 1H2020 to S\$0.9 million in 1H2021.

Administration expenses increased by 16.4% from S\$5.2 million in 1H2020 to S\$6.0 million in 1H2021, mainly due to one-off professional fees incurred in relation to the proposed disposal of the HDD business in 1H2021. The asset and purchase agreement ("SPA") dated 31 December 2020 was terminated on 1 July 2021 in accordance with the terms and conditions of the SPA.

Sales and marketing expenses increased by 84.3% from S\$0.18 million in 1H2020 to S\$0.33 million in 1H2021, mainly due to higher salary related costs in 1H2021.

Research and development expenses of S\$0.4 million in 1H2021 were mainly for the Group's robotic cleaning business.

The Group recorded a net other income of S\$1.0 million both in 1H2021 and 1H2020. The net other income comprised mainly foreign exchange gain, scrap income, government grants, reversal of allowance for doubtful receivables, gain on disposal of property, plant and equipment, but offset by headcount redundancy costs from the productivity gain in the manufacturing operations.

Tax Expense

The Group recorded a tax expense of S\$0.2 million in 1H2021 as compared to S\$0.3 million in 1H2020.

Net Profit

As a result of continued strong execution in key areas of the HDD operations and other items discussed in the foregoing sections, the Group recorded a net profit from operations of S\$7.3 million in 1H2021 as compared to S\$6.8 million in 1H2020.

Earnings Per Share

The Group's earnings per share increased by 15.7% from 1.44 cents in 1H2020 to 1.67 cents in 1H2021.

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Balance Sheet

Following the termination of the SPA in relation to the proposed disposal of the HDD business on 1 July 2021, the assets and liabilities held for sale as at 31 December 2020 have been reclassified to the respective assets and liabilities categories.

The Group's net working capital improved by S\$8.7 million from S\$9.0 million as at 31 December 2020 to S\$17.7 million as at 30 June 2021. The improvement came from the increase in current assets of S\$17.4 million and offset by the increase in current liabilities of S\$8.7 million. The increase in current assets was mainly due to the increase in other assets of S\$0.5 million, inventories of S\$1.5 million, and trade and other receivables of S\$19.7 million and offset by the reduction in cash and cash equivalents of S\$4.3 million. The increase in trade and other receivables was mainly due to the one-off favourable payment term, which expired on 31 December 2020, received from one of our main customers. The increase in current liabilities was mainly due to the increase in loans and borrowings of S\$6.0 million, trade and other payables of S\$2.4 million and income tax payable of S\$0.3 million.

The net asset value per share of the Group increased from 15.92 cents as at 31 December 2020 to 17.81 cents as at 30 June 2021.

Cash Flow

The Group generated S\$14.8 million from operations in 1H2021. After income tax paid and changes in working capital of S\$19.2 million, the Group recorded net cash used in operating activities of S\$4.8 million in 1H2021, as compared to net cash from operating activities of S\$21.9 million in 1H2020.

The Group recorded net cash used in investing activities of S\$1.6 million in 1H2021 as compared to S\$4.6 million in 1H2020. The investing activities in 1H2021 were mainly for capital expenditure of manufacturing equipment of S\$1.7 million. In 1H2020, the Group invested S\$3.0 million for an equity interest of 42.31% in Beijing Ant Brothers Technology Co., Ltd. ("BAB") and capital expenditure of manufacturing equipment of S\$1.7 million.

On financing activities, the Group recorded net proceeds from bank borrowings of S\$3.0 million in 1H2021, as compared to net repayments of bank borrowings of S\$7.2 million in 1H2020.

Cash and cash equivalents as at 30 June 2021 were S\$24.7 million as compared to S\$16.0 million as at 30 June 2020.

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

No prospect statement has been previously disclosed.

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.

On 1 July 2021, the Company's wholly-owned subsidiaries, BIGL Asia Pte. Ltd. and BIGL Technologies (Shenzhen) Co., Ltd., issued a notice of termination of the SPA to Suzhou Gefan Hardware and Plastic Industrial Co., Ltd. in accordance with the terms and conditions of the SPA. Please refer to the Company's announcements made on 1 July 2021 and 12 July 2021 for further details.

The aforesaid termination is not expected to have any material adverse impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 31 December 2021.

Despite the ongoing COVID-19 pandemic and geopolitical uncertainties, the Group delivered another solid performance for the first half year of 2021, benefitting from the robust market demand for HDDs. The continued focus by the management team on operational efficiency and productivity improvement, working capital and cashflow management, and streamlining of manufacturing processes has contributed to the positive results of the Group's operating gross margin and profit.

As the COVID-19 situation in the Southeast Asian countries is evolving with more seriously affected countries enforcing strict movement controls and lockdown measures, this may potentially cause disruptions to the HDD supply chain as most of its suppliers and manufacturers are located in the region. Barring any unforeseen negative impact of the COVID-19 situation, the Group remains hopeful about the prospects of our HDD business in the near-term as the demand for mass capacity drives (high performance HDDs) and legacy drives (personal storage HDDs) are expected to remain strong in the second half of 2021.

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Amid the evolving COVID-19 pandemic, the Group remains focused on implementing preventive measures at all our facilities to safeguard the health and safety of our employees and other stakeholders, executing operational efficiency and productivity improvement programs, improving the strength of our balance sheet, and strengthening our technical bench strength. The Group will continue to monitor the changing COVID-19 situation and keep shareholders informed of any material developments that may impact our operations as and when they arise.

In line with its business plans, the Group's robotic cleaning business launched its glass façade cleaning robot in China in 1H2021, focusing on establishing market recognition and gathering feedback about our product. The robotic cleaning business is not expected to make a significant contribution to the Group's revenue in 2021.

The Group remains on the lookout for other diversification business opportunities.

5. Dividend Information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend per share	\$0.005
Tax Rate	Tax exempt

The Directors are pleased to declare a tax-exempt one-tier interim cash dividend of \$0.005 per share (2020 : nil) in respect of the financial year ending 31 December 2021. The interim dividend will be paid to shareholders on 9 September 2021.

5b. Corresponding Period of the Immediate Preceding financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

5c. Date Payable

9 September 2021

5d. Books Closure Date

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

31 August 2021, 5pm

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. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group for the six-month period ended 30 June 2021, to be false or misleading in any material aspect.

By Order of the Board

Lew Syn Pau
Chairman
11th August 2021