

**BROADWAY INDUSTRIAL GROUP LIMITED**

Company Registration No. 199405266K

**Unaudited Condensed Interim Financial Statements**

For the Six Months Ended 30 June 2023

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**Broadway Industrial Group Limited**  
**Unaudited Condensed Interim Financial Statements**  
**For the Six Months Ended 30 June 2023**

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

|   | Notes | Group<br>6 months ended |                | Change<br>% |
|---|-------|-------------------------|----------------|-------------|
|   |       | 30 Jun<br>2023          | 30 Jun<br>2022 |             |
|   |       | S\$'000                 | S\$'000        |             |
| Revenue   | 4     | 126,445                 | 228,384        | (44.6)      |
| Cost of sales   |       | (122,352)               | (212,765)      | (42.5)      |
| Gross profit  |       | 4,093                   | 15,619         | (73.8)      |
| Distribution expenses   |       | (440)                   | (695)          | (36.7)      |
| Administrative expenses   |       | (4,790)                 | (5,725)        | (16.3)      |
| Sales and marketing expenses  |       | (475)                   | (467)          | 1.7         |
| Research and development expenses                                     |       | (96)                    | (237)          | (59.5)      |
| Other income  | 5     | 1,229                   | 8              | n.m.        |
| Results from operating activities                                     |       | (479)                   | 8,503          | n.m.        |
| Finance income  |       | 140                     | 12             | n.m.        |
| Finance costs   |       | (1,144)                 | (772)          | 48.2        |
| Net finance costs   |       | (1,004)                 | (760)          | 32.1        |
| (Loss)/Profit before income tax                                       | 6     | (1,483)                 | 7,743          | n.m.        |
| Income tax expense  | 7     | (54)                    | (554)          | (90.3)      |
| <b>(Loss)/Profit for the period</b>                                   |       | <b>(1,537)</b>          | <b>7,189</b>   | <b>n.m.</b> |
| <b>Other comprehensive income :</b>                                   |       |                         |                |             |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |       |                         |                |             |
| Exchange differences on translating foreign operations, net of tax    |       | 593                     | 2,105          | (71.8)      |
| <b>Total comprehensive (loss)/income</b>                              |       | <b>(944)</b>            | <b>9,294</b>   | <b>n.m.</b> |
| <b>(Loss)/Profit for the period attributable to :</b>                 |       |                         |                |             |
| Owners of the Company   |       | (1,211)                 | 7,461          | n.m.        |
| Non-controlling interests   |       | (326)                   | (272)          | 19.9        |
|   |       | <b>(1,537)</b>          | <b>7,189</b>   | <b>n.m.</b> |
| <b>Total comprehensive (loss)/income attributable to :</b>            |       |                         |                |             |
| Owners of the Company   |       | (748)                   | 9,580          | n.m.        |
| Non-controlling interests   |       | (196)                   | (286)          | (31.5)      |
| <b>Total comprehensive (loss)/income</b>                              |       | <b>(944)</b>            | <b>9,294</b>   | <b>n.m.</b> |

**(Loss)/Earnings per share for profit for the period attributable to the owners of the Company**

|         |   | Group<br>6 months ended |                | Change<br>% |
|---------|---|-------------------------|----------------|-------------|
|         |   | 30 Jun<br>2023          | 30 Jun<br>2022 |             |
|         |   | Cents                   | Cents          |             |
| Basic   | 8 | (0.27)                  | 1.64           | n.m.        |
| Diluted | 8 | (0.27)                  | 1.64           | n.m.        |

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**B Condensed interim statements of financial position**

|   | Notes | Group          |                | Company        |                |
|---|-------|----------------|----------------|----------------|----------------|
|   |       | 30 Jun<br>2023 | 31 Dec<br>2022 | 30 Jun<br>2023 | 31 Dec<br>2022 |
|   |       | S\$'000        | S\$'000        | S\$'000        | S\$'000        |
| <b>ASSETS</b>                                       |       |                |                |                |                |
| Property, plant and equipment                       | 11    | 62,592         | 63,778         | 191            | 235            |
| Right-of-use assets                                 |       | 9,709          | 5,443          | 409            | 512            |
| Investments in subsidiaries                         |       | -              | -              | 104,000        | 104,000        |
| Other assets, non-current                           |       | 52             | 52             | 52             | 52             |
| Other receivables, non-current                      |       | -              | -              | 365            | 359            |
| <b>Total non-current assets</b>                     |       | <b>72,353</b>  | <b>69,273</b>  | <b>105,017</b> | <b>105,158</b> |
| Inventories   |       | 17,761         | 28,032         | -              | -              |
| Trade and other receivables                         |       | 40,896         | 25,704         | 8,998          | 10,395         |
| Other assets, current                               |       | 2,256          | 1,138          | 2              | 17             |
| Cash and cash equivalents                           |       | 27,354         | 29,360         | 673            | 653            |
| <b>Total current assets</b>                         |       | <b>88,267</b>  | <b>84,234</b>  | <b>9,673</b>   | <b>11,065</b>  |
| <b>Total assets</b>                                 |       | <b>160,620</b> | <b>153,507</b> | <b>114,690</b> | <b>116,223</b> |
| <b>EQUITY AND LIABILITIES</b>                       |       |                |                |                |                |
| <b>Equity</b>                                       |       |                |                |                |                |
| Share capital                                       | 12    | 113,163        | 113,163        | 113,163        | 113,163        |
| (Accumulated losses)/Retained earnings              |       | (9,384)        | (8,316)        | 3,202          | 4,296          |
| Other reserves                                      |       | (17,352)       | (17,672)       | (2,786)        | (2,643)        |
| <b>Equity attributable to owners of the Company</b> |       | <b>86,427</b>  | <b>87,175</b>  | <b>113,579</b> | <b>114,816</b> |
| Non-controlling interests                           |       | 605            | 801            | -              | -              |
| <b>Total equity</b>                                 |       | <b>87,032</b>  | <b>87,976</b>  | <b>113,579</b> | <b>114,816</b> |
| Other liabilities                                   |       | 1,818          | 1,907          | -              | -              |
| Lease liabilities, non-current                      |       | 7,013          | 4,194          | 185            | 276            |
| <b>Total non-current liabilities</b>                |       | <b>8,831</b>   | <b>6,101</b>   | <b>185</b>     | <b>276</b>     |
| Income tax payable                                  |       | 3,768          | 3,838          | 5              | 5              |
| Trade and other payables                            |       | 54,266         | 47,240         | 741            | 950            |
| Loans and borrowings                                | 13    | 3,910          | 6,805          | -              | -              |
| Lease liabilities, current                          |       | 2,813          | 1,547          | 180            | 176            |
| <b>Total current liabilities</b>                    |       | <b>64,757</b>  | <b>59,430</b>  | <b>926</b>     | <b>1,131</b>   |
| <b>Total liabilities</b>                            |       | <b>73,588</b>  | <b>65,531</b>  | <b>1,111</b>   | <b>1,407</b>   |
| <b>Total equity and liabilities</b>                 |       | <b>160,620</b> | <b>153,507</b> | <b>114,690</b> | <b>116,223</b> |

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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 |   |   |                                   |                      |
| <b>Balance at 1 Jan 2023</b>                     | <b>113,163</b>        | <b>(3,043)</b>          | <b>2,924</b>            | <b>400</b>                          | <b>(17,953)</b>             | <b>(8,316)</b>                                  | <b>87,175</b>                                       | <b>801</b>                        | <b>87,976</b>        |
| Total comprehensive income/(loss) for the period | -                     | -                       | -                       | -                                   | 463                         | (1,211)   | (748)   | (196)                             | (944)                |
| Share-based payment                              | -                     | -                       | -                       | (143)                               | -                           | 143   | -   | -                                 | -                    |
| <b>Balance at 30 Jun 2023</b>                    | <b>113,163</b>        | <b>(3,043)</b>          | <b>2,924</b>            | <b>257</b>                          | <b>(17,490)</b>             | <b>(9,384)</b>                                  | <b>86,427</b>                                       | <b>605</b>                        | <b>87,032</b>        |
| <b>Balance at 1 Jan 2022</b>                     | <b>113,166</b>        | <b>(2,320)</b>          | <b>2,924</b>            | <b>403</b>                          | <b>(17,273)</b>             | <b>(10,041)</b>                                 | <b>86,859</b>                                       | <b>887</b>                        | <b>87,746</b>        |
| Total comprehensive income/(loss) for the period | -                     | -                       | -                       | -                                   | 2,119                       | 7,461   | 9,580   | (286)                             | 9,294                |
| Purchase of treasury shares                      | -                     | (729)                   | -                       | -                                   | -                           | -   | (729)   | -                                 | (729)                |
| Share-based payment                              | (3)                   | 6                       | -                       | (3)                                 | -                           | -   | -   | -                                 | -                    |
| Dividend paid                                    | -                     | -                       | -                       | -                                   | -                           | (4,553)   | (4,553)   | -                                 | (4,553)              |
| <b>Balance at 30 Jun 2022</b>                    | <b>113,163</b>        | <b>(3,043)</b>          | <b>2,924</b>            | <b>400</b>                          | <b>(15,154)</b>             | <b>(7,133)</b>                                  | <b>91,157</b>                                       | <b>601</b>                        | <b>91,758</b>        |

  

| 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 | Total equity S\$'000 |                      |
| <b>Balance at 1 Jan 2023</b>            | <b>113,163</b>        | <b>(3,043)</b>          | <b>400</b>                          | <b>4,296</b>                                    | <b>114,816</b>       |                      |
| Total comprehensive loss for the period | -                     | -                       | -                                   | (1,237)   | (1,237)              |                      |
| Share-based payment                     | -                     | -                       | (143)                               | 143   | -                    |                      |
| <b>Balance at 30 Jun 2023</b>           | <b>113,163</b>        | <b>(3,043)</b>          | <b>257</b>                          | <b>3,202</b>                                    | <b>113,579</b>       |                      |
| <b>Balance at 1 Jan 2022</b>            | <b>113,166</b>        | <b>(2,320)</b>          | <b>403</b>                          | <b>16,556</b>                                   | <b>127,805</b>       |                      |
| Total comprehensive loss for the period | -                     | -                       | -                                   | (1,335)   | (1,335)              |                      |
| Purchase of treasury shares             | -                     | (729)                   | -                                   | -   | (729)                |                      |
| Share-based payment                     | (3)                   | 6                       | (3)                                 | -   | -                    |                      |
| Dividend paid                           | -                     | -                       | -                                   | (4,553)   | (4,553)              |                      |
| <b>Balance at 30 Jun 2022</b>           | <b>113,163</b>        | <b>(3,043)</b>          | <b>400</b>                          | <b>10,668</b>                                   | <b>121,188</b>       |                      |

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**D Condensed interim consolidated statement of cash flows**

|   | <b>Group</b>          |                 |
|---|-----------------------|-----------------|
|   | <b>6 months ended</b> |                 |
|   | <b>30 Jun</b>         | <b>30 Jun</b>   |
|   | <b>2023</b>           | <b>2022</b>     |
|   | <b>S\$'000</b>        | <b>S\$'000</b>  |
| <b>Cash flows from operating activities</b>                   |                       |                 |
| <b>(Loss)/Profit before income tax</b>                        | (1,483)               | 7,743           |
| Depreciation of property, plant and equipment                 | 4,657                 | 5,843           |
| Depreciation of right-of-use assets                           | 1,049                 | 904             |
| Fair value losses on financial derivatives, net               | -                     | 616             |
| Gain/Loss on disposal of property, plant and equipment        | (5)                   | 49              |
| Interest expense  | 1,144                 | 772             |
| Interest income   | (140)                 | (12)            |
| <b>Operating cash flows before changes in working capital</b> | <u>5,222</u>          | <u>15,915</u>   |
| Inventories   | 10,337                | 2,402           |
| Trade and other receivables                                   | (14,903)              | 15,683          |
| Other assets  | (1,102)               | (675)           |
| Trade and other payables                                      | 7,480                 | (16,227)        |
| Other liabilities   | (100)                 | 27              |
| Net cash flows from operations                                | <u>6,934</u>          | <u>17,125</u>   |
| Income tax paid   | (147)                 | (330)           |
| <b>Net cash flows from operating activities</b>               | <u>6,787</u>          | <u>16,795</u>   |
| <b>Cash flows from investing activities</b>                   |                       |                 |
| Purchase of property, plant and equipment                     | (4,067)               | (2,324)         |
| Proceeds from disposal of property, plant and equipment       | 180                   | 26              |
| Interest income received                                      | 140                   | 12              |
| <b>Net cash flow used in investing activities</b>             | <u>(3,747)</u>        | <u>(2,286)</u>  |
| <b>Cash flows from financing activities</b>                   |                       |                 |
| Proceeds from bank borrowings                                 | 7,647                 | 2,052           |
| Repayment of bank borrowings                                  | (10,557)              | (7,637)         |
| Dividend paid to equity owners                                | -                     | (4,553)         |
| Payment of principal portion of lease liabilities             | (1,231)               | (881)           |
| Purchase of treasury shares                                   | -                     | (729)           |
| Interest expense paid   | (1,144)               | (772)           |
| <b>Net cash flows used in financing activities</b>            | <u>(5,285)</u>        | <u>(12,520)</u> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | (2,245)               | 1,989           |
| Cash and cash equivalents, beginning balance                  | 29,360                | 27,664          |
| Effect of exchange rate fluctuations                          | 239                   | 245             |
| <b>Cash and cash equivalents, ending balance</b>              | <u>27,354</u>         | <u>29,898</u>   |

## **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 2023 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 2023 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 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 2022.

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; (3) precision engineering; and (4) 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) Precision Engineering segment - This segment comprises the manufacturing and distribution of diecasting and machining parts for the 5G equipment and automotive industry.

(4) 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 and liabilities.

|  | HDD     | Robotics | Precision<br>Engineering | Others  | Group Total |
|--|---------|----------|--------------------------|---------|-------------|
|  | S\$'000 | S\$'000  | S\$'000                  | S\$'000 | S\$'000     |
| <b>From 1 January 2023 to 30 June 2023</b> |         |          |                          |         |             |
| Revenue to external customers              | 125,354 | 99       | 992                      | -       | 126,445     |
| EBITDA                                     | 6,735   | (368)    | (1,428)                  | 288     | 5,227       |
| Net finance (costs)/income                 | (944)   | -        | (82)                     | 22      | (1,004)     |
| Depreciation expense                       | (5,289) | (63)     | (327)                    | (27)    | (5,706)     |
| Profit/(Loss) before income tax            | 502     | (431)    | (1,837)                  | 283     | (1,483)     |
| Income tax expense                         | (14)    | -        | -                        | (40)    | (54)        |
| Profit/(Loss), net of tax                  | 488     | (431)    | (1,837)                  | 243     | (1,537)     |
| Total assets for reportable segments       | 148,177 | 681      | 11,267                   | 495     | 160,620     |
| Total liabilities for reportable segments  | 65,838  | 218      | 7,406                    | 126     | 73,588      |
| Capital expenditure                        | 1,064   | -        | 2,213                    | -       | 3,277       |
| <b>From 1 January 2022 to 30 June 2022</b> |         |          |                          |         |             |
| Revenue to external customers              | 228,289 | 95       | -                        | -       | 228,384     |
| EBITDA                                     | 16,103  | (774)    | -                        | (79)    | 15,250      |
| Net finance (costs)/income                 | (760)   | 1        | -                        | (1)     | (760)       |
| Depreciation expense                       | (6,710) | (29)     | -                        | (8)     | (6,747)     |
| Profit/(Loss) before income tax            | 8,633   | (802)    | -                        | (88)    | 7,743       |
| Income tax expense                         | (548)   | -        | -                        | (6)     | (554)       |
| Profit/(Loss), net of tax                  | 8,085   | (802)    | -                        | (94)    | 7,189       |
| Total assets for reportable segments       | 211,873 | 1,784    | -                        | 497     | 214,154     |
| Total liabilities for reportable segments  | 121,596 | 133      | -                        | 667     | 122,396     |
| Capital expenditure                        | 1,843   | 12       | -                        | 5       | 1,860       |



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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, Republic of Korea, Vietnam 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:

|                            | <b>Group Revenue</b>  |                    | <b>Group Non-Current Assets</b> |                    |
|----------------------------|-----------------------|--------------------|---------------------------------|--------------------|
|                            | <b>6 months ended</b> |                    |                                 |                    |
|                            | <b>30 Jun 2023</b>    | <b>30 Jun 2022</b> | <b>30 Jun 2023</b>              | <b>30 Jun 2022</b> |
|                            | <b>S\$'000</b>        | <b>S\$'000</b>     | <b>S\$'000</b>                  | <b>S\$'000</b>     |
| Thailand                   | 83,010                | 152,254            | 40,646                          | 44,671             |
| People's Republic of China | 42,351                | 75,905             | 22,408                          | 29,140             |
| Singapore                  | 63                    | -                  | 694                             | 162                |
| Vietnam                    | 241                   | -                  | 8,580                           | -                  |
| Republic of Korea          | 348                   | -                  | 25                              | -                  |
| Other countries            | 432                   | 225                | -                               | -                  |
| <b>Total</b>               | <b>126,445</b>        | <b>228,384</b>     | <b>72,353</b>                   | <b>73,973</b>      |

**5. Other Income**

|  | <b>Group 6 months ended</b> |                    |
|--|-----------------------------|--------------------|
|  | <b>30 Jun 2023</b>          | <b>30 Jun 2022</b> |
|  | <b>S\$'000</b>              | <b>S\$'000</b>     |
| Foreign exchange gains, net                                | 541                         | 657                |
| Unrealised fair value losses on financial derivatives, net | -                           | (616)              |
| Gain/(Loss) on disposal of property, plant & equipment     | 5                           | (49)               |
| Scrap income   | 561                         | 872                |
| Government grants  | 119                         | 151                |
| Vietnam  | -                           | 88                 |
| Redundancy costs   | (187)                       | (1,039)            |
| Others   | 190                         | (56)               |
| <b>Total</b>   | <b>1,229</b>                | <b>8</b>           |

**6. (Loss)/Profit before income tax included**

|   | <b>Group 6 months ended</b> |                    |
|---|-----------------------------|--------------------|
|   | <b>30 Jun 2023</b>          | <b>30 Jun 2022</b> |
|   | <b>S\$'000</b>              | <b>S\$'000</b>     |
| Depreciation of property, plant and equipment | (4,657)                     | (5,843)            |
| Depreciation of right-of-use assets           | (1,049)                     | (904)              |

**7. Income tax expense**

|                                | <b>Group 6 months ended</b> |                    |
|--------------------------------|-----------------------------|--------------------|
|                                | <b>30 Jun 2023</b>          | <b>30 Jun 2022</b> |
|                                | <b>S\$'000</b>              | <b>S\$'000</b>     |
| Current income tax expenses    | (22)                        | (504)              |
| Under provision in prior years | (32)                        | (50)               |
|                                | <b>(54)</b>                 | <b>(554)</b>       |

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**8. (Loss)/Earnings per share**

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

|   | Group<br>6 months ended   |                           |
|---|---------------------------|---------------------------|
|   | 30 Jun<br>2023<br>S\$'000 | 30 Jun<br>2022<br>S\$'000 |
| <b>Basic EPS</b>                                    | (0.27)                    | 1.64                      |
| <b>Diluted EPS</b>                                  | (0.27)                    | 1.64                      |
| Numerators :  |                           |                           |
| (Loss)/Profit attributable to owners of the Company | (1,211)                   | 7,461                     |
|   |                           |                           |
|   | No. of Shares             |                           |
|   | 30 Jun<br>2023<br>'000    | 30 Jun<br>2022<br>'000    |
| Denominators:                                       |                           |                           |
| Weighted average numbers of equity shares (basic)   | 454,656                   | 456,069                   |
| Unreleased share awards effect                      | -                         | 34                        |
| Weighted average numbers of equity shares (diluted) | 454,656                   | 456,103                   |

**9. Dividends**

|  | Group<br>6 months ended   |                           |
|--|---------------------------|---------------------------|
|  | 30 Jun<br>2023<br>S\$'000 | 30 Jun<br>2022<br>S\$'000 |
| Ordinary dividends paid:   |                           |                           |
| 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                     |

**10. Net asset value**

|                                    | Group                   |                         | Company                 |                         |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                    | 30 Jun<br>2023<br>Cents | 31 Dec<br>2022<br>Cents | 30 Jun<br>2023<br>Cents | 31 Dec<br>2022<br>Cents |
| Net asset value per ordinary share | 19.01                   | 19.17                   | 24.98                   | 25.25                   |

Net asset value per ordinary share is calculated based on 454,656,461 ordinary shares as at 30 June 2023 (31 December 2022 : 454,656,461 ordinary shares).

**11. Property, plant and equipment**

During the six months ended 30 June 2023, the group acquired assets, mainly for manufacturing equipment, amounting to S\$3.3 million (30 June 2022: S\$1.9 million) and disposed assets that had net carrying value of S\$0.2 million (30 June 2022: S\$0.1 million).

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**12. Share Capital**

|  | Group and Company        |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | 30 Jun 2023              |                          | 31 Dec 2022              |                          |
|  | Number of shares<br>'000 | Share Capital<br>S\$'000 | Number of shares<br>'000 | Share Capital<br>S\$'000 |
| Balance at 1 January 2023 and 1 January 2022 | 471,914                  | 113,163                  | 471,914                  | 113,166                  |
| Shares issued under BIGL Share Plan          | -                        | -                        | -                        | (3)                      |
| Balance at 30 June 2023 and 31 December 2022 | 471,914                  | 113,163                  | 471,914                  | 113,163                  |

As at 30 June 2023, there were 2,850,000 (30 June 2022 : nil) outstanding shares in respect of unissued ordinary shares under the BIGL Share Plan.

As at 30 June 2023, there were 17,258,150 (30 June 2022 : 17,258,150) shares held as treasury shares.

Total number of issued shares excluding treasury shares as at 30 June 2023 was 454,656,461 (30 June 2022 : 454,656,461).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 30 June 2022.

**13. Borrowings (Secured)**

|  | Group                  |                        |
|--|------------------------|------------------------|
|  | 30 Jun 2023<br>S\$'000 | 31 Dec 2022<br>S\$'000 |
| Amount repayable in one year or less, or on demand | 3,910                  | 6,805                  |
| Total  | 3,910                  | 6,805                  |

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 2023<br>S\$'000 | 31 Dec 2022<br>S\$'000 | 30 Jun 2023<br>S\$'000 | 31 Dec 2022<br>S\$'000 |
| <b>Financial Assets</b>      |                        |                        |                        |                        |
| Long term receivables        | -                      | -                      | 365                    | 359                    |
| Trade and other receivables  | 40,896                 | 25,704                 | 8,998                  | 10,395                 |
| Cash and cash equivalents    | 27,354                 | 29,360                 | 673                    | 653                    |
| Total                        | 68,250                 | 55,064                 | 10,036                 | 11,407                 |
| <b>Financial Liabilities</b> |                        |                        |                        |                        |
| Loans and borrowings         | 3,910                  | 6,805                  | -                      | -                      |
| Lease liabilities            | 9,826                  | 5,741                  | 365                    | 452                    |
| Trade and other payables     | 54,266                 | 47,240                 | 741                    | 950                    |
| Total                        | 68,002                 | 59,786                 | 1,106                  | 1,402                  |

**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 2023 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 44.6% from S\$228.4 million in the six months ended 30 June 2022 ("1H2022") to S\$126.4 million in the six months ended 30 June 2023 ("1H2023"), mainly due to weak demand from HDD end customers and reduced tech spending by businesses in view of the uncertain macroeconomic environment. The Company's nearline product demand was also affected by the continuing inventory digestion at the HDD cloud customers. The Group's sales volume by units declined 40.6% in 1H2023 as compared to 1H2022.

The Group's gross profit margin decreased from 6.8% in 1H2022 to 3.2% in 1H2023.

**Operating Expenses**

In line with the drop in volume, the Group's distribution expenses decreased by 36.7% from S\$0.7 million in 1H2022 to S\$0.4 million in 1H2023.

Administration expenses decreased by 16.6% from S\$5.7 million in 1H2022 to S\$4.8 million in 1H2023, as the Company adjusted its spendings to align with the reduced activities.

Sales and marketing expenses increased by 1.7% from S\$0.47 million in 1H2022 to S\$0.48 million in 1H2023, mainly due to the Group's investment in developing its new precision engineering business in Republic of Korea and Vietnam.

Research and development expenses decreased by 59.5% from S\$0.2 million in 1H2022 to S\$0.1 million in 1H2023, mainly due to lower staff related costs in the Group's robotics business in 1H2023.

The Group recorded net other income of S\$1.2 million in 1H2023 as compared to S\$0.01 million in 1H2022. The net other income in 1H2023 comprised mainly foreign exchange gain, scrap income and government grants, offset by loss on disposal of property, plant and equipment and headcount redundancy costs from the continuing rationalisation in the HDD manufacturing operations. The net other income in 1H2022 comprised mainly foreign exchange gain, scrap income and government grants, offset by unrealised fair value losses on financial derivatives, loss on disposal of property, plant and equipment and headcount redundancy costs.

**Net Finance Costs**

The Group recorded higher net finance costs of S\$1.0 million in 1H2023 as compared to S\$0.8 million in 1H2022, mainly due to higher borrowing costs as a result of higher interest rates.

**Tax Expense**

The Group recorded tax expense of S\$0.1 million in 1H2023 as compared to S\$0.6 million in 1H2022. The lower tax expense in 1H2023 was mainly due to lower taxable income generated in Thailand and the People's Republic of China.

**Net Loss**

Despite the HDD business segment being operationally profitable in the 1H2023, the Group recorded a net loss from operations of S\$1.6 million in 1H2023 as compared to a net profit of S\$7.2 million in 1H2022. The decrease was mainly due to lower HDD sales and start-up expenses incurred for the new precision engineering business.

**Earnings Per Share**

The Group's earnings per share registered a decline of 164.6% from 1.64 cents in 1H2022 to -0.27 cents in 1H2023.

### **Balance Sheet**

The Group's net working capital decreased by S\$1.3 million from S\$24.8 million as at 31 December 2022 to S\$23.5 million as at 30 June 2023. The reduction came from the increase in current liabilities of S\$5.3 million, offset by the increase in current assets of S\$4.0 million. The increase in current liabilities was mainly due to the S\$7.0 million increase in trade and other payables and S\$1.3 million increase in lease liabilities, offset by the S\$2.9 million decrease in loans and borrowings. The increase in current assets was mainly due to the S\$15.2 million increase in trade and other receivables and S\$1.1 million increase in other assets, offset by the S\$10.3 million decrease in inventories and S\$2.0 million decrease in cash and cash equivalents.

The net asset value per share of the Group decreased marginally from 19.17 cents as at 31 December 2022 to 19.01 cents as at 30 June 2023.

### **Cash Flow**

The Group recorded net cash generated from operating activities of S\$6.8 million in 1H2023, as compared to net cash generated from operating activities of S\$16.8 million in 1H2022.

The Group recorded net cash used in investing activities of S\$3.8 million in 1H2023 as compared to S\$2.3 million in 1H2022. The investing activities in 1H2023 were mainly for capital expenditure of S\$4.1 million for the start-up manufacturing operations in Vietnam as compared to capital expenditure of S\$2.3 million in 1H2022.

The Group recorded net cash used in financing activities of S\$5.3 million in 1H2023 as compared to S\$12.5 million net cash used in financing activities in 1H2022. The financing activities in 1H2023 were mainly for S\$2.9 million net repayment of bank borrowings, S\$1.1 million interest expenses and S\$1.2 million increase in lease liabilities (1H2022: S\$5.6 million from net repayment of bank borrowings, S\$0.8 million for interest payment and S\$0.9 million payment of lease liabilities). Additionally, cash was used in 1H2022 for dividend payment to shareholders of S\$4.6 million and purchase of treasury shares of S\$0.7 million.

Cash and cash equivalents as at 30 June 2023 decreased to S\$27.4 million as compared to S\$29.9 million as at 30 June 2022, principally due to cash used in investing activities.

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

On 20 July 2023, the Company announced a profit guidance that the Group was likely to report a net loss for 1H2023 as compared to the net profit for 1H2022.

The Group recorded a net loss of S\$1.6 million for 1H2023 compared to a 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.**

The Group responded to the very challenging HDD market conditions caused by continued inventory digestion in the HDD cloud customers, lower tech spendings by the corporate businesses amidst the uncertain macroeconomic environment and uneven pace of economic recovery in the People's Republic of China by aligning the build volume to the sharply reduced demand in 1H2023, aggressively managing its operating and labour costs, and prudently managing its working capital.

For 2H2023, the HDD industry outlook remains challenging, with the ongoing economic headwinds and geopolitical tensions continuing to limit demand dynamics. The Group has and will continue to take the necessary measures to align manufacturing capacity to the demand dynamics and reduce its operating costs. While the near term HDD demand remains challenging, 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 grow modestly.

In view of the declining business volume, the current Shenzhen factory is severely under-utilised. The Group is reviewing the use of the Shenzhen factory asset and has appointed a property consultant in Shenzhen to explore the options of maximising its use, including monetising it in order to unlock value for shareholders.

The Group is reviewing its strategies for the robotics business and will continue to collaborate with higher learning institutes and industry partners to explore better opportunities for its robots. The robotics business is not expected to make a significant contribution to the Group's revenue in 2023.

In December 2022, the Company's wholly owned subsidiary, BIGL Asia Pte. Ltd. ("**BIGL Asia**"), and HSMJ Co., Ltd. ("**HSMJ**") established a joint venture company, BIGL Korea Co., Ltd. ("**BIGL Korea**"), and set up a sales office in Republic of Korea. In January 2023, BIGL Korea incorporated a wholly owned subsidiary, BIGL Vietnam Co., Ltd. ("**BIGL Vietnam**"). On 14 July 2023, the Company announced that following the occurrence of an event of default, BIGL Asia has exercised its rights to restructure the management of BIGL Korea and BIGL Vietnam, with Mr Tan Choon Hoong, the Company's CEO, being appointed as the CEO of the joint venture. At present, the shareholding of BIGL Korea is held by BIGL Asia (86.84%) and HSMJ (13.16%).

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Leveraging the Group's machining competencies and supply chain network, the joint venture has recorded its maiden revenue from the precision machining operations in 1H2023. The factory, including its die-casting operations, is expected to be fully operational in the fourth quarter of 2023.

In relation to the ongoing arbitration with Suzhou Gefan Hardware and Plastic Industry Co., Ltd. and Seksun Technology (Suzhou) Co., Ltd. (the "Claimants"), the Company announced on 1 August 2023 that the China International Economic and Trade Arbitration Commission has further extended the time period for rendering an arbitral award to 31 August 2023. The Company maintains its position that the Claimants' claims and allegations have no merits and will make further announcements when there are material updates in respect of the arbitration.

**5. Dividend Information**

5a. Current Financial Period Reported on

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

In view of the uncertain economic situation ahead, the Company has decided not to declare an interim dividend. We will decide on a final dividend after the full year results are finalised.

5b. Corresponding Period of the Immediate Preceding financial Year

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

None

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.

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**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 2023, to be false or misleading in any material aspect.

**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 | 39  | Sister of Wong Yi Jia, Non-Executive Director and daughter of Lau Leok Yee, Substantial Shareholder | Senior Manager,<br>Financial Planning and Analysis<br>2021      | N.A.  |

Save as disclosed above, there is no person occupying a managerial position in the Company or any of its principal subsidiaries

**By Order of the Board**

Lew Syn Pau  
Chairman  
10th August 2023