

**BROADWAY INDUSTRIAL GROUP LIMITED**

Company Registration No. 199405266K

**Second Quarter Financial Statement Announcement For the Period Ended 30 June 2015**

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 &amp; Q3), HALF-YEAR AND FULL YEAR RESULTS

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

	Note	Group			Group		
		Second quarter ended 30-06-15 S\$'000	30-06-14 S\$'000	Increase/ (Decrease) %	Year to date 30-06-15 S\$'000	30-06-14 S\$'000	Increase/ (Decrease) %
Revenue		149,277	170,261	(12.3)	317,431	322,926	(1.7)
Cost of sales		(136,454)	(155,101)	(12.0)	(286,525)	(298,766)	(4.1)
Gross profit		12,823	15,160	(15.4)	30,906	24,160	27.9
Other income	1	7,923	1,688	n.m.	7,383	3,804	94.1
Distribution expenses		(3,515)	(3,945)	(10.9)	(6,997)	(7,798)	(10.3)
Administrative expenses		(9,120)	(8,378)	8.9	(17,465)	(16,214)	7.7
Sales and marketing expenses		(2,129)	(1,824)	16.7	(4,416)	(3,904)	13.1
Other expenses	2	(511)	(472)	8.3	(436)	(4,671)	(90.7)
Results from operating activities		5,471	2,229	145.4	8,975	(4,623)	(294.1)
Finance income		191	169	13.0	326	316	3.2
Finance costs		(1,591)	(1,843)	(13.7)	(3,596)	(3,772)	(4.7)
Net finance costs		(1,400)	(1,674)	(16.4)	(3,270)	(3,456)	(5.4)
Share of profit of associates (net of tax)		66	74	(10.8)	271	75	261.3
Profit/(Loss) before income tax	3	4,137	629	n.m.	5,976	(8,004)	(174.7)
Tax credit/(expense)	4	408	(286)	n.m.	(274)	8,625	n.m.
Profit for the period		4,545	343	n.m.	5,702	621	n.m.
<b>Profit attributable to :</b>							
Owners of the Company		4,565	301	n.m.	5,698	508	n.m.
Non-controlling interests		(20)	42	n.m.	4	113	(96.5)
Profit for the period		4,545	343	n.m.	5,702	621	n.m.

n.m. - not meaningful

	Group			Group		
	Second quarter ended		Increase/	Year to date		Increase/
	30-06-15	30-06-14	(Decrease)	30-06-15	30-06-14	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Statement of comprehensive income</b>						
Profit for the period	4,545	343	n.m.	5,702	621	n.m.
<b>Other comprehensive income :</b>						
Foreign currency translation differences for foreign operations	(5,643)	(1,961)	n.m.	4,165	(4,806)	n.m.
Effective portion of changes in fair value of cash flow hedges	12	(332)	n.m.	(27)	(466)	(94.2)
<b>Total comprehensive income for the period</b>	<b>(1,086)</b>	<b>(1,950)</b>	<b>(44.3)</b>	<b>9,840</b>	<b>(4,651)</b>	<b>(311.6)</b>
<b>Total comprehensive income attributable to :</b>						
Owners of the Company	(1,035)	(1,982)	(47.8)	9,814	(4,694)	(309.1)
Non-controlling interests	(51)	32	n.m.	26	43	(39.5)
<b>Total comprehensive income for the period</b>	<b>(1,086)</b>	<b>(1,950)</b>	<b>(44.3)</b>	<b>9,840</b>	<b>(4,651)</b>	<b>(311.6)</b>

	Group			Group		
	Second quarter ended		Increase/	Year to date		Increase/
	30-06-15	30-06-14	(Decrease)	30-06-15	30-06-14	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%

**Notes to Income Statement****1 ) Other income**

Foreign exchange gain <sup>a</sup>	1,578	219	n.m.	1,264	-	n.m.
Fair value gain on financial derivatives <sup>b</sup>	4,732	-	n.m.	3,611	-	n.m.
Gain on disposal of property, plant & equipment	-	656	(100.0)	-	666	(100.0)
Gain on disposal of an asset held for sale	-	-	n.m.	-	1,939	(100.0)
Proceeds from insurance claims	-	87	(100.0)	-	87	(100.0)
Scrap income	754	377	100.0	1,471	656	124.2
Others	859	349	146.1	1,037	456	127.4
	<b>7,923</b>	<b>1,688</b>	<b>n.m.</b>	<b>7,383</b>	<b>3,804</b>	<b>94.1</b>

**2 ) Other expenses**

Foreign exchange loss <sup>a</sup>	-	-	n.m.	-	(109)	(100.0)
Fair value loss on financial derivatives <sup>c</sup>	-	(265)	(100.0)	-	(4,256)	(100.0)
Impairment losses on loan to investee companies	-	(45)	(100.0)	-	(95)	(100.0)
Loss on disposal of property, plant & equipment	(511)	-	n.m.	(436)	-	n.m.
Others	-	(162)	(100.0)	-	(211)	(100.0)
	<b>(511)</b>	<b>(472)</b>	<b>8.3</b>	<b>(436)</b>	<b>(4,671)</b>	<b>(90.7)</b>

<sup>a</sup> The foreign exchange gain and loss arose mainly from the unrealised gains and losses from the translation of foreign currency-denominated monetary items.

<sup>b</sup> The gains in 2Q2015 and 1H2015 were mainly due to the unrealised mark-to-market (MTM) fair value gains arising from forward and derivative contracts entered into by the Group to manage its net currency exposure for payments denominated in Chinese Renminbi and receipts denominated in United States Dollar and Euro.

<sup>c</sup> The losses in 2Q2014 and 1H2014 were mainly due to the unrealised mark-to-market (MTM) fair value losses related to forward and derivative contracts entered by the Group to manage its net currency exposure for payments denominated in Chinese Renminbi and receipts denominated in United States Dollar.

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<b>Notes to Income Statement (cont'd)</b>	<b>Group</b>			<b>Group</b>		
	Second quarter ended		Increase/	Year to date		Increase/
	30-06-15	30-06-14	(Decrease)	30-06-15	30-06-14	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>3 ) Profit/(Loss) before income tax included</b>						
Depreciation	(10,722)	(9,984)	7.4	(21,567)	(20,003)	7.8
Redundancy costs	(234)	(760)	(69.2)	(373)	(1,431)	(73.9)
Other streamlining costs	(5)	(67)	(93.1)	(75)	(283)	(73.7)
<b>4 ) Tax credit/(expense)</b>						
Current tax expense	(752)	(1,013)	(25.8)	(1,077)	(1,891)	(43.0)
Deferred tax credit / (expense)	157	(589)	n.m.	(215)	(846)	(74.6)
Overprovided in prior years	1,003	1,316	(23.8)	1,018	11,362	(91.0)
	408	(286)	n.m.	(274)	8,625	n.m.

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

	Note	Group		Company	
		30-06-15 S\$'000	31-12-14 S\$'000	30-06-15 S\$'000	31-12-14 S\$'000
<b>Assets</b>					
Property, plant and equipment		177,762	197,380	64	64
Goodwill		64,008	62,903	-	-
Subsidiaries		-	-	154,501	154,501
Associates		2,431	1,496	98	98
Other investments		1,024	1,024	852	852
Financial derivatives		-	203	-	-
Deferred tax assets		13,334	13,326	-	-
<b>Non-current assets</b>		<b>258,559</b>	<b>276,332</b>	<b>155,515</b>	<b>155,515</b>
Financial derivatives		737	241	-	-
Inventories		93,201	92,468	-	-
Trade and other receivables	1	137,930	158,940	1,222	1,887
Cash and cash equivalents		22,363	35,807	315	2,327
Assets held for sale	2	7,302	-	-	-
<b>Current assets</b>		<b>261,533</b>	<b>287,456</b>	<b>1,537</b>	<b>4,214</b>
<b>Total assets</b>		<b>520,092</b>	<b>563,788</b>	<b>157,052</b>	<b>159,729</b>
<b>Equity</b>					
Share capital		113,090	113,016	113,090	113,016
Reserves	3	(12,061)	(16,064)	260	373
Retained earnings		145,627	139,929	36,026	38,692
<b>Equity attributable to owners of the Company</b>		<b>246,656</b>	<b>236,881</b>	<b>149,376</b>	<b>152,081</b>
<b>Non-controlling interests</b>		<b>1,420</b>	<b>1,394</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>248,076</b>	<b>238,275</b>	<b>149,376</b>	<b>152,081</b>
<b>Liabilities</b>					
Financial derivatives		-	2,343	-	-
Loans and borrowings		27,356	50,588	-	-
Deferred tax liabilities		215	226	-	-
<b>Non-current liabilities</b>		<b>27,571</b>	<b>53,157</b>	<b>-</b>	<b>-</b>
Financial derivatives		3,149	3,971	-	-
Loans and borrowings		99,075	87,841	2,000	2,000
Trade and other payables	4	138,562	173,717	5,671	5,643
Current tax liabilities		3,659	6,827	5	5
<b>Current liabilities</b>		<b>244,445</b>	<b>272,356</b>	<b>7,676</b>	<b>7,648</b>
<b>Total liabilities</b>		<b>272,016</b>	<b>325,513</b>	<b>7,676</b>	<b>7,648</b>
<b>Total equity and liabilities</b>		<b>520,092</b>	<b>563,788</b>	<b>157,052</b>	<b>159,729</b>

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

- 1) The lower trade and other receivables as at 30 Jun 2015 was mainly due to lower revenue generated in 2Q2015.
- 2) The land and building(s) held by the Group in Chengdu were classified as assets held for sale on 30 Jun 2015.
- 3) The reserves comprise reserve for own shares, capital reserve, share option reserve, asset revaluation reserve, translation reserve and hedging reserve. The movements of reserves are shown in pages 7, 8 and 9.
- 4) The decrease in the Group's trade and other payables was mainly due to lower trade payables in 2Q2015.

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

Amount repayable in one year or less, or on demand

As at 30-06-15		As at 31-12-14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
90,981	8,094	67,303	20,538

Amount repayable after one year

As at 30-06-15		As at 31-12-14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
27,356	-	50,588	-

## Details of any collaterals

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

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

	Group Second quarter ended		Group Year to date	
	30-06-15 S\$'000	30-06-14 S\$'000	30-06-15 S\$'000	30-06-14 S\$'000
<b>Cash flows from operating activities</b>				
<b>Profit/(Loss) before income tax</b>	4,137	629	5,976	(8,004)
<b>Adjustments for :</b>				
Depreciation of property, plant and equipment	10,722	9,984	21,567	20,003
Equity-settled share-based payment transactions	32	(37)	69	(7)
Fair value (gain)/loss on financial derivatives	(4,732)	265	(3,611)	4,256
Loss/(gain) on disposal of property, plant and equipment	511	(656)	436	(666)
Gain on disposal of an asset held for sale	-	-	-	(1,939)
Impairment loss on loan to investee companies	-	45	-	95
Interest expense	1,591	1,843	3,596	3,772
Interest income	(191)	(169)	(326)	(316)
Share of profit of associates, net of tax	(66)	(74)	(271)	(75)
	<u>12,004</u>	<u>11,830</u>	<u>27,436</u>	<u>17,119</u>
Change in inventories	(703)	5,006	882	3,927
Change in trade and other receivables	10,553	(7,524)	27,049	(3,423)
Change in trade and other payables	(12,415)	6,890	(37,053)	(9,793)
	<u>9,439</u>	<u>16,202</u>	<u>18,314</u>	<u>7,830</u>
Cash generated from operating activities	9,439	16,202	18,314	7,830
Income tax paid	(2,122)	(751)	(3,357)	(2,871)
	<u>7,317</u>	<u>15,451</u>	<u>14,957</u>	<u>4,959</u>
<b>Net cash from operating activities</b>				
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(6,735)	(6,586)	(11,393)	(12,045)
Interest received	191	102	326	183
Proceeds from disposal of property, plant and equipment	123	855	123	886
Proceeds from disposal of the asset held for sale	-	-	-	4,109
	<u>(6,421)</u>	<u>(5,629)</u>	<u>(10,944)</u>	<u>(6,867)</u>
<b>Net cash used in investing activities</b>				
<b>Cash flows from financing activities</b>				
Interest paid	(1,686)	(1,843)	(3,596)	(3,772)
Proceeds from bank borrowings	43,138	6,236	70,741	26,804
Repayments of bank borrowings	(56,464)	(26,708)	(85,173)	(41,226)
Repurchase of own shares	-	-	(108)	-
	<u>(15,012)</u>	<u>(22,315)</u>	<u>(18,136)</u>	<u>(18,194)</u>
<b>Net cash used in financing activities</b>				
Net decrease in cash and cash equivalents	(14,116)	(12,493)	(14,123)	(20,102)
Cash and cash equivalents at beginning of period	37,310	28,487	35,802	36,166
Effect of exchange rate fluctuations on cash held	(836)	(260)	679	(330)
	<u>22,358</u>	<u>15,734</u>	<u>22,358</u>	<u>15,734</u>
<b>Cash and cash equivalents at end of period *</b>				

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

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

	Reserves							Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Reserve for own shares S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Asset revaluation reserve S\$'000	Translation reserve S\$'000	Hedging reserve S\$'000				
<b>The Group</b>											
<b>At 1 January 2015</b>	113,016	(357)	2,924	730	870	(19,772)	(459)	139,929	236,881	1,394	238,275
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	1,133	1,133	24	1,157
<b>Other comprehensive income</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(39)	-	(39)	-	(39)
Foreign currency translation differences for foreign operations	-	-	-	-	-	9,755	-	-	9,755	53	9,808
Total comprehensive income for the period	-	-	-	-	-	9,755	(39)	1,133	10,849	77	10,926
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Vesting of share awards	45	77	-	(122)	-	-	-	-	-	-	-
Own share acquired	-	(108)	-	-	-	-	-	-	(108)	-	(108)
Share-based payment transactions	-	-	-	37	-	-	-	-	37	-	37
Total contributions by owners of the Company	45	(31)	-	(85)	-	-	-	-	(71)	-	(71)
<b>At 31 March 2015</b>	113,061	(388)	2,924	645	870	(10,017)	(498)	141,062	247,659	1,471	249,130
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	4,565	4,565	(20)	4,545
<b>Other comprehensive income</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	12	-	12	-	12
Foreign currency translation differences for foreign operations	-	-	-	-	-	(5,612)	-	-	(5,612)	(31)	(5,643)
Total comprehensive income for the period	-	-	-	-	-	(5,612)	12	4,565	(1,035)	(51)	(1,086)
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Vesting of share awards	29	53	-	(82)	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	32	-	-	-	-	32	-	32
Total contributions by owners of the Company	29	53	-	(50)	-	-	-	-	32	-	32
<b>At 30 June 2015</b>	113,090	(335)	2,924	595	870	(15,629)	(486)	145,627	246,656	1,420	248,076

	Reserves							Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Reserve for own shares S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Asset revaluation reserve S\$'000	Translation reserve S\$'000	Hedging reserve S\$'000				
<b>The Group</b>											
<b>At 1 January 2014</b>	103,448	(303)	2,924	812	870	(28,128)	-	139,756	219,379	1,632	221,011
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	207	207	71	278
<b>Other comprehensive income</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(134)	-	(134)	-	(134)
Foreign currency translation differences for foreign operations	-	-	-	-	-	(2,785)	-	-	(2,785)	(60)	(2,845)
Total comprehensive income for the period	-	-	-	-	-	(2,785)	(134)	207	(2,712)	11	(2,701)
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Vesting of share awards	2	71	-	(73)	-	-	-	-	0	-	0
Share-based payment transactions	-	-	-	30	-	-	-	-	30	-	30
Total contributions by owners of the Company	2	71	-	(43)	-	-	-	-	30	-	30
<b>At 31 March 2014</b>	103,450	(232)	2,924	769	870	(30,913)	(134)	139,963	216,697	1,643	218,340
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	301	301	42	343
<b>Other comprehensive income</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(332)	-	(332)	-	(332)
Foreign currency translation differences for foreign operations	-	-	-	-	-	(1,951)	-	-	(1,951)	(10)	(1,961)
Total comprehensive income for the period	-	-	-	-	-	(1,951)	(332)	301	(1,982)	32	(1,950)
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Vesting of share awards	(6)	66	-	(60)	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	(37)	-	-	-	-	(37)	-	(37)
Effect of liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	(393)	(393)
Total contributions by owners of the Company	(6)	66	-	(97)	-	-	-	-	(37)	(393)	(430)
<b>At 30 June 2014</b>	<b>103,444</b>	<b>(166)</b>	<b>2,924</b>	<b>672</b>	<b>870</b>	<b>(32,864)</b>	<b>(466)</b>	<b>140,264</b>	<b>214,678</b>	<b>1,282</b>	<b>215,960</b>



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	Share capital S\$'000	Reserve for own shares S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>The Company</b>					
<b>At 1 January 2015</b>	113,016	(357)	730	38,692	152,081
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(1,360)	(1,360)
Total comprehensive income for the period	-	-	-	(1,360)	(1,360)
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Vesting of share awards	45	77	(122)	-	-
Own share acquired	-	(108)	-	-	(108)
Share-based payment transactions	-	-	37	-	37
Total contributions by owners of the Company	45	(31)	(85)	-	(71)
<b>At 31 March 2015</b>	113,061	(388)	645	37,332	150,650
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(1,306)	(1,306)
Total comprehensive income for the period	-	-	-	(1,306)	(1,306)
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Vesting of share awards	29	53	(82)	-	-
Share-based payment transactions	-	-	32	-	32
Total contributions by owners of the Company	29	53	(50)	-	32
<b>At 30 June 2015</b>	113,090	(335)	595	36,026	149,376
<b>At 1 January 2014</b>					
<b>Total comprehensive income for the period</b>	103,448	(303)	812	42,457	146,414
Profit for the period	-	-	-	508	508
Total comprehensive income for the period	-	-	-	508	508
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Vesting of share awards	2	71	(73)	-	-
Share-based payment transactions	-	-	30	-	30
Total contributions by owners of the Company	2	71	(43)	-	30
<b>At 31 March 2014</b>	103,450	(232)	769	42,965	146,952
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(1,050)	(1,050)
Total comprehensive income for the period	-	-	-	(1,050)	(1,050)
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Vesting of share awards	(6)	66	(60)	-	-
Share-based payment transactions	-	-	(37)	-	(37)
Total contributions by owners of the Company	(6)	66	(97)	-	(37)
<b>At 30 June 2014</b>	103,444	(166)	672	41,915	145,865

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

During the quarter, 233,750 treasury shares were issued to our employees pursuant to the BIGL Share Plan.

As at 30 Jun 2015, there were 1,536,000 (30 Jun 2014 : 1,756,000) outstanding share options under the BIGL Share Option Scheme 2001.

As at 30 Jun 2015, there were 1,511,250 (30 Jun 2014 : 1,602,250) outstanding shares under the BIGL Share Plan.

As at 30 Jun 2015, there were 1,452,650 shares (30 Jun 2014 : 406,000) held as treasury shares.

Total number of issued shares excluding treasury shares as at 30 Jun 2015 was 470,461,961 (30 Jun 2014 : 416,036,128).

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

Total number of issued shares excluding treasury shares as at 30 Jun 2015 was 470,461,961 (31 Dec 2014 : 470,565,111).

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

As at 30 Jun 2015, 521,750 treasury shares were issued to our employees pursuant to the BIGL Share Plan.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2014.

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

The Group has adopted the new or revised FRS that have become effective for the financial year beginning 1 January 2015.

Presently, the Group does not expect the adoption of the new or revised FRS to have any material impact on the financial statements.

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

Based on weighted average number of ordinary share in issue (cents)

On a fully diluted basis (cents)

Second quarter ended		Year to date	
30-06-15	30-06-14	30-06-15	30-06-14
0.97	0.07	1.21	0.12
0.97	0.07	1.21	0.12

a) Earnings per ordinary share is calculated based on weighted average number of shares of 470,454,345 shares (30 Jun 2014 : 419,421,459 shares).

b) Diluted earnings per ordinary share is calculated based on weighted average number of shares of 471,918,599 shares (30 Jun 2014 : 421,102,359 shares).

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

The Group (cents)

The Company (cents)

30-06-15	31-12-14
52.43	50.34
31.75	32.32

Net asset value per ordinary share is calculated based on number of shares at 30 Jun 2015 of 470,461,961 shares (31 Dec 2014 : 470,565,111 shares).

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-  
 (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Revenue and Gross Profit**

The Group's revenue decreased by 12.3% for the financial quarter ended 30 June 2015 ("2Q2015") year on year ("yoy") to S\$149.3 million mainly due to the decrease in revenue from the HDD and Foam Plastics businesses.

Gross profit margin remained at approximately 8.5% in 2Q2015 as compared with the financial quarter ended 30 June 2014.

**Other Income**

The Group recorded other income of S\$7.9 million in 2Q2015 as compared to S\$1.7 million in 2Q2014. In 2Q2015, other income increased mainly due to the S\$4.7 million unrealized mark-to-market (MTM) fair value gain on financial derivatives.

**Operating Expenses**

Distribution expenses decreased by 10.9% yoy to S\$3.5 million in 2Q2015 due to improved logistics management.

Administrative and sales and marketing expenses increased by 8.9% and 16.7% respectively in 2Q 2015 due to increased business development activities and expenses incurred to strengthen our management team at the business unit level.

**Tax Credit/(Expense)**

The Group recorded a tax credit of S\$0.41 million for 2Q2015 as compared to a tax expense of S\$0.29 million in 2Q2014 mainly due to the reversal of overprovision of income tax for prior years no longer required because of the expiry of the tax liability period.

**Net Profit**

Due to the above factors, the Group recorded a profit after tax and minority interest of S\$4.6 million as compared to S\$0.3 million in 2Q2014.

**Balance Sheet**

The Net Asset Value (NAV) per share of the Group increased to 52.43 cents as at 30 June 2015 from 50.34 cents as at 31 December 2014.

**Cash Flow**

The Group recorded net cash from operating activities of S\$7.3 million in 2Q2015 compared to S\$15.5 million in 2Q2014 mainly due to changes in working capital.

Net cash used in financing activities was S\$15.0 million in 2Q2015 compared to S\$22.3 million in 2Q2014 mainly due to decrease in net repayment of loans in 2Q2015.

Cash and cash equivalents as at 30 June 2015 was S\$22.4 million as compared to S\$15.7 million as at 30 June 2014 mainly due to improved working capital management.

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

Not applicable.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Per Trendfocus' July 2015 report on the preliminary Q2 results of the HDD industry, HDD volume declined by between 9.6% and 12.0% as compared to Q1 2015. The outlook for 2H 2015 remains uncertain. We will continue to monitor the HDD market conditions and manage our costs accordingly.

The most recent edition of the SEMI World Fab Forecast Report (July 2015), which tracks semiconductor wafer fab equipment spending, projected positive outlook for the industry. This report indicated that semiconductor wafer fab equipment spending is expected to rise by about 9.6% in 2015. This holds a positive outlook for our PES business.

The Foam Plastics Division will continue to be affected by the performance of China's economy in 2015.

In view of the continuing uncertainty in our business environment, the Group remains cautiously optimistic on its prospects for FY2015.

- 11 Dividend

- (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on None

Name of Dividend	NIL
Dividend Type	NIL
Dividend per share	NIL
Tax Rate	NIL
Date of payment	NIL

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

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

None

Name of Dividend	NIL
Dividend Type	NIL
Dividend amount per share (in cents)	NIL
Tax Rate	NIL
Date of payment	NIL

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12 If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared or recommended by the Company.

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

There is no IPT mandate.

**14 NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)**

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 results of the Group for the financial period ended 30 June 2015, to be false or misleading in any material aspect.

**By Order of the Board**

Lew Syn Pau

Chairman

**30 July 2015**