

**BROADWAY INDUSTRIAL GROUP LIMITED**

Company Registration No. 199405266K

**Second Quarter Financial Statement Announcement For the Period Ended 30 June 2017**

## 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 30-06-17 S\$'000	30-06-16 S\$'000	Increase/ (Decrease) %	Year to date 30-06-17 S\$'000	30-06-16 S\$'000	Increase/ (Decrease) %
<b><u>Continuing operations</u></b>							
Revenue		79,035	94,920	(16.7)	168,512	174,527	(3.4)
Cost of sales		(73,653)	(93,014)	(20.8)	(157,019)	(173,608)	(9.6)
Gross profit		5,382	1,906	182.4	11,493	919	n.m.
Distribution expenses		(817)	(855)	(4.4)	(1,826)	(1,744)	4.7
Administrative, sales and marketing expenses		(2,744)	(4,945)	(44.5)	(6,881)	(9,866)	(30.3)
Other (expenses)/income	1	(873)	(387)	125.6	(1,151)	3,228	n.m.
Results from operating activities		948	(4,281)	n.m.	1,635	(7,463)	n.m.
Finance income		199	27	n.m.	377	29	n.m.
Finance costs		(367)	(1,459)	(74.8)	(808)	(2,991)	(73.0)
Net finance costs		(168)	(1,432)	(88.3)	(431)	(2,962)	(85.4)
Profit/(Loss) before tax	2	780	(5,713)	n.m.	1,204	(10,425)	n.m.
Tax expense	3	(601)	(532)	13.0	(953)	(640)	48.9
Profit/(Loss) from continuing operations		179	(6,245)	n.m.	251	(11,065)	n.m.
<b><u>Discontinued operations</u></b>							
(Loss)/Profit from discontinued operations (net of tax)		(650)	6,516	n.m.	(650)	11,674	n.m.
<b>(Loss)/Profit for the Group</b>		<b>(471)</b>	<b>271</b>	<b>n.m.</b>	<b>(399)</b>	<b>609</b>	<b>n.m.</b>
<b><u>(Loss)/Profit attributable to :</u></b>							
Owners of the Company		(477)	215	n.m.	(317)	472	n.m.
Non-controlling interests		6	56	(89.3)	(82)	137	n.m.
(Loss)/Profit for the period		(471)	271	n.m.	(399)	609	n.m.
n.m. - not meaningful							

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Statement of comprehensive income	Group			Group		
	Second quarter ended 30-06-17 S\$'000	30-06-16 S\$'000	Increase/ (Decrease) %	Year to date 30-06-17 S\$'000	30-06-16 S\$'000	Increase/ (Decrease) %
(Loss)/Profit for the period	(471)	271	n.m.	(399)	609	n.m.
<b>Other comprehensive income/(loss)</b>						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences for foreign operations	(1,123)	(2,085)	(46.1)	(3,857)	(9,445)	(59.2)
Effective portion of changes in fair value of cash flow hedges	-	24	(100.0)	-	28	(100.0)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(1,123)</b>	<b>(2,061)</b>	<b>(45.5)</b>	<b>(3,857)</b>	<b>(9,417)</b>	<b>(59.0)</b>
<b>Total comprehensive loss for the period</b>	<b>(1,594)</b>	<b>(1,790)</b>	<b>(10.9)</b>	<b>(4,256)</b>	<b>(8,808)</b>	<b>(51.7)</b>
<b>Total comprehensive income/(loss) attributable to :</b>						
Owners of the Company	(1,619)	(1,778)	(8.9)	(4,240)	(8,829)	(52.0)
Non-controlling interests	25	(12)	n.m.	(16)	21	n.m.
<b>Total comprehensive loss for the period</b>	<b>(1,594)</b>	<b>(1,790)</b>	<b>(10.9)</b>	<b>(4,256)</b>	<b>(8,808)</b>	<b>(51.7)</b>
<b>Notes to Income Statement</b>						
<b>1 ) Other (expenses)/income</b>						
Foreign exchange loss	(745)	(1,779)	(58.1)	(1,944)	(3,039)	(36.0)
Fair value (loss)/gain on financial derivatives	(10)	531	n.m.	1,351	4,782	(71.7)
Gain on disposal of property, plant & equipment	11	658	(98.3)	50	795	(93.7)
Scrap income	123	256	(52.0)	314	647	(51.5)
Government grants	399	33	n.m.	482	226	113.3
Redundancy costs	(793)	-	n.m.	(1,970)	-	n.m.
Others	142	(86)	n.m.	565	(183)	n.m.
	(873)	(387)	n.m.	(1,151)	3,228	n.m.
<b>2 ) Profit/(Loss) before income tax included</b>						
Depreciation	(4,286)	(7,047)	(39.2)	(8,831)	(14,231)	(37.9)
<b>3 ) Tax expense</b>						
Current tax	(150)	(190)	(21.1)	(247)	(211)	17.1
Under provided in prior years	(451)	(342)	32.0	(706)	(429)	64.6
	(601)	(532)	13.0	(953)	(640)	48.9

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**Second Quarter Financial Statement Announcement For the Period Ended 30 June 2017**

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	
		30-06-17 S\$'000	31-12-16 S\$'000	30-06-17 S\$'000	31-12-16 S\$'000
<b>Assets</b>					
Property, plant and equipment	1	82,229	109,865	17	24
Subsidiaries		-	-	100,000	100,000
Other receivables		15,239	15,133	-	-
Other investments	1	-	114	-	47
<b>Non-current assets</b>		<b>97,468</b>	<b>125,112</b>	<b>100,017</b>	<b>100,071</b>
Financial derivatives		-	575	-	-
Inventories		30,525	31,510	-	-
Trade and other receivables	5	57,337	56,183	24,268	2,914
Cash and cash equivalents		9,349	145,235	4,159	91,559
Assets held for sale	1	21,997	-	47	-
<b>Current assets</b>		<b>119,208</b>	<b>233,503</b>	<b>28,474</b>	<b>94,473</b>
<b>Total assets</b>		<b>216,676</b>	<b>358,615</b>	<b>128,491</b>	<b>194,544</b>
<b>Equity</b>					
Share capital		113,147	113,139	113,147	113,139
Reserves	2	(12,398)	(8,467)	297	305
Retained earnings		118	40,460	9,973	50,563
<b>Equity attributable to owners of the Company</b>		<b>100,867</b>	<b>145,132</b>	<b>123,417</b>	<b>164,007</b>
<b>Non-controlling interests</b>		<b>(1,372)</b>	<b>(1,356)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>99,495</b>	<b>143,776</b>	<b>123,417</b>	<b>164,007</b>
<b>Liabilities</b>					
Loans and borrowings		9,854	13,974	-	-
Trade and other payables	3	2,734	-	-	-
Provisions		4,250	4,250	4,250	4,250
<b>Non-current liabilities</b>		<b>16,838</b>	<b>18,224</b>	<b>4,250</b>	<b>4,250</b>
Financial derivatives		-	1,975	-	-
Loans and borrowings		15,641	87,110	-	2,000
Trade and other payables	4 & 5	81,569	103,838	819	24,282
Current tax liabilities		3,133	3,692	5	5
<b>Current liabilities</b>		<b>100,343</b>	<b>196,615</b>	<b>824</b>	<b>26,287</b>
<b>Total liabilities</b>		<b>117,181</b>	<b>214,839</b>	<b>5,074</b>	<b>30,537</b>
<b>Total equity and liabilities</b>		<b>216,676</b>	<b>358,615</b>	<b>128,491</b>	<b>194,544</b>

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

- 1) The land and buildings held by the Group in the USA and Shenzhen, China and club memberships were classified as assets held for sale.
- 2) 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 6, 7 and 8.
- 3) The trade and other payables was mainly due to payable of property, plant and equipment in the components division.
- 4) The decrease in the Group's trade and other payables was mainly due to payments of trade payables and accrued expenses.
- 5) The net change in the Company's trade and other receivables and trade and other payables was mainly due to funds transferred to one of the subsidiaries for repayments of the Group's bank borrowings.

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

Amount repayable in one year or less, or on demand

As at 30-06-17		As at 31-12-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,641	-	85,110	2,000

Amount repayable after one year

As at 30-06-17		As at 31-12-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
9,854	-	13,974	-

## Details of any collaterals

Secured bank loans of the Group at 30 Jun 2017 are secured by corporate guarantees provided by one of the subsidiaries and machines of a subsidiary in Korea.

Secured bank loans of the Group at 31 Dec 2016 are secured by legal charges over certain leasehold land and buildings owned by the Group and/or corporate guarantees provided by certain subsidiaries and/or the Company.

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**Second Quarter Financial Statement Announcement For the Period Ended 30 June 2017**

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		Group	
	Second quarter ended		Year to date	
	30-06-17	30-06-16	30-06-17	30-06-16
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Continuing operations</u></b>				
<b>Cash flows from operating activities</b>				
<b>Profit/(Loss) before tax</b>	780	(5,713)	1,204	(10,425)
<b>Adjustments for :</b>				
Depreciation of property, plant and equipment	4,286	7,047	8,831	14,231
Equity-settled share-based payment transactions	(4)	20	-	49
Fair value loss/(gain) on financial derivatives	10	(531)	(1,351)	(4,782)
Gain on disposal of property, plant and equipment	(11)	(658)	(50)	(795)
Interest expense	367	1,459	808	2,991
Interest income	(199)	(27)	(377)	(29)
	5,229	1,597	9,065	1,240
Change in inventories	(1,323)	8,537	(543)	10,732
Change in trade and other receivables	(12,311)	(12,366)	(5,070)	(7,069)
Change in trade and other payables	(9,083)	3,815	(9,596)	(8,723)
	(17,488)	1,583	(6,144)	(3,820)
Income tax paid	(462)	(327)	(1,340)	(363)
<b>Net cash (used in)/from operating activities</b>	(17,950)	1,256	(7,484)	(4,183)
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(3,096)	(2,094)	(5,249)	(7,680)
Interest received	23	27	26	29
Proceeds from disposal of property, plant and equipment	11	859	102	975
<b>Net cash used in investing activities</b>	(3,062)	(1,208)	(5,121)	(6,676)
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the Company	-	-	(40,025)	-
Interest paid	(367)	(1,459)	(808)	(2,991)
Proceeds from bank borrowings	10,818	18,894	13,170	39,891
Repayments of bank borrowings	(586)	(50,375)	(85,342)	(54,853)
Payment of finance lease liabilities	(123)	-	(123)	-
<b>Net cash from/(used in) financing activities</b>	9,742	(32,940)	(113,128)	(17,953)
Net decrease in cash and cash equivalents	(11,270)	(32,892)	(125,733)	(28,812)
<b><u>Discontinued operations</u></b>				
Net cash used in operating activities	(892)	4,015	(8,096)	6,042
Net cash used in investing activities	-	(588)	-	(1,269)
Net cash from financing activities	-	10,918	-	1,877
Net increase in cash and cash equivalents	(892)	14,345	(8,096)	6,650
Net decrease in cash and cash equivalents for the Group	(12,162)	(18,547)	(133,829)	(22,162)
Cash and cash equivalents at beginning of period	21,742	42,317	145,230	48,158
Effect of exchange rate fluctuations on cash held	(236)	(160)	(2,057)	(2,386)
<b>Cash and cash equivalents at end of period *</b>	9,344	23,610	9,344	23,610

\* 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	Equity 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	Translation reserve S\$'000				
<b>The Group</b>									
<b>At 1 January 2017</b>	113,139	(237)	2,924	542	(11,696)	40,460	145,132	(1,356)	143,776
<b>Total comprehensive income/(loss)</b>									
Profit/(Loss) for the period	-	-	-	-	-	160	160	(88)	72
<b>Other comprehensive income/(loss)</b>									
Foreign currency translation differences for foreign operations	-	-	-	-	(2,781)	-	(2,781)	47	(2,734)
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	(2,781)	160	(2,621)	(41)	(2,662)
<b>Transaction with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Share-based payment transactions	-	-	-	4	-	-	4	-	4
Interim tax-exempt dividend paid of 8.5 cents per ordinary share in respect of year 2016 to owners of the Company	-	-	-	-	-	(40,025)	(40,025)	-	(40,025)
<b>Total contributions by and distributions to owners</b>	-	-	-	4	-	(40,025)	(40,021)	-	(40,021)
<b>At 31 March 2017</b>	113,139	(237)	2,924	546	(14,477)	595	102,490	(1,397)	101,093
<b>Total comprehensive income/(loss)</b>									
(Loss)/Profit for the period	-	-	-	-	-	(477)	(477)	6	(471)
<b>Other comprehensive income/(loss)</b>									
Foreign currency translation differences for foreign operations	-	-	-	-	(1,142)	-	(1,142)	19	(1,123)
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	(1,142)	(477)	(1,619)	25	(1,594)
<b>Transaction with owners, recognised directly in equity</b>									
<b>Contributions by and distributions to owners</b>									
Vesting of share awards	8	55	-	(63)	-	-	-	-	-
Share-based payment transactions	-	-	-	(4)	-	-	(4)	-	(4)
<b>Total contributions by and distributions to owners</b>	8	55	-	(67)	-	-	(4)	-	(4)
<b>At 30 June 2017</b>	113,147	(182)	2,924	479	(15,619)	118	100,867	(1,372)	99,495

	Reserves							Retained earnings S\$'000	Equity 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 2016</b>	113,091	(333)	2,924	625	870	(7,189)	(79)	52,564	162,473	1,401	163,874
<b>Total comprehensive income/(loss)</b>											
Profit for the period	-	-	-	-	-	-	-	257	257	81	338
<b>Other comprehensive income/(loss)</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	4	-	4	-	4
Foreign currency translation differences for foreign operations	-	-	-	-	-	(7,312)	-	-	(7,312)	(48)	(7,360)
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	-	(7,312)	4	257	(7,051)	33	(7,018)
<b>Transaction with owners, recognised directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Share-based payment transactions	-	-	-	29	-	-	-	-	29	-	29
Total contributions by and distributions to owners	-	-	-	29	-	-	-	-	29	-	29
<b>At 31 March 2016</b>	113,091	(333)	2,924	654	870	(14,501)	(75)	52,821	155,451	1,434	156,885
<b>Total comprehensive income/(loss)</b>											
Profit for the period	-	-	-	-	-	-	-	215	215	56	271
<b>Other comprehensive income/(loss)</b>											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	24	-	24	-	24
Foreign currency translation differences for foreign operations	-	-	-	-	-	(2,017)	-	-	(2,017)	(68)	(2,085)
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	-	(2,017)	24	215	(1,778)	(12)	(1,790)
<b>Transaction with owners, recognised directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Vesting of share awards	46	91	-	(137)	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	20	-	-	-	-	20	-	20
Total contributions by and distributions to owners	46	91	-	(117)	-	-	-	-	20	-	20
<b>At 30 June 2016</b>	<b>113,137</b>	<b>(242)</b>	<b>2,924</b>	<b>537</b>	<b>870</b>	<b>(16,518)</b>	<b>(51)</b>	<b>53,036</b>	<b>153,693</b>	<b>1,422</b>	<b>155,115</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 2017</b>	113,139	(237)	542	50,563	164,007
<b>Total comprehensive income/(loss)</b>					
Loss for the period	-	-	-	(581)	(581)
Total comprehensive income/(loss) for the period	-	-	-	(581)	(581)
<b>Transaction with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Share-based payment transactions	-	-	4	-	4
Interim tax-exempt dividend paid of 8.5 cents per ordinary share in respect of year 2016 to owners of the Company	-	-	-	(40,025)	(40,025)
Total contributions by and distributions to owners	-	-	4	(40,025)	(40,021)
<b>At 31 March 2017</b>	113,139	(237)	546	9,957	123,405
<b>Total comprehensive income/(loss)</b>					
Profit for the period	-	-	-	16	16
Total comprehensive income/(loss) for the period	-	-	-	16	16
<b>Transaction with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Share-based payment transactions	-	-	(4)	-	(4)
Total contributions by and distributions to owners	8	55	(67)	-	(4)
<b>At 30 June 2017</b>	113,147	(182)	479	9,973	123,417
<b>At 1 January 2016</b>	113,091	(333)	625	33,843	147,226
<b>Total comprehensive income/(loss)</b>					
Loss for the period	-	-	-	(1,312)	(1,312)
Total comprehensive income/(loss) for the period	-	-	-	(1,312)	(1,312)
<b>Transaction with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Share-based payment transactions	-	-	29	-	29
Total contributions by and distributions to owners	-	-	29	-	29
<b>At 31 March 2016</b>	113,091	(333)	654	32,531	145,943
<b>Total comprehensive income/(loss)</b>					
Profit for the period	-	-	-	29	29
Total comprehensive income/(loss) for the period	-	-	-	29	29
<b>Transaction with owners, recognised directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Vesting of share awards	46	91	(137)	-	-
Share-based payment transactions	-	-	20	-	20
Total contributions by and distributions to owners	46	91	(117)	-	20
<b>At 30 June 2016</b>	113,137	(242)	537	32,560	145,992



- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 period, 240,000 treasury shares were issued to our employees pursuant to the BIGL Share Plan. There was no exercise of share options under the BIGL Share Option Scheme 2001 during the period.

As at 30 Jun 2017, there were 396,000 (30 Jun 2016 : 1,336,000) outstanding share options under the BIGL Share Option Scheme 2001.

As at 30 Jun 2017, there were 1,030,000 (30 Jun 2016 : 1,491,250) outstanding shares under the BIGL Share Plan.

As at 30 Jun 2017, there were 790,150 shares (30 Jun 2016 : 1,050,150) held as treasury shares.

As at 30 Jun 2017 and 30 Jun 2016, there were no subsidiary holdings.

Total number of issued shares excluding treasury shares as at 30 Jun 2017 was 471,124,461 (30 Jun 2016 : 470,864,461).

- 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 2017 was 471,124,461 (31 Dec 2016 : 470,884,461).

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

From 1 Jan 2017 to 30 Jun 2017, 240,000 treasury shares were issued to our employees pursuant to the BIGL Share Plan.

- 1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

As at 30 Jun 2017, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

- 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 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 2016.

- 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.

There are no changes in the accounting policies and methods of computation.

- 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 :-

Earnings per ordinary share	Second quarter		Year to date	
	30-06-17	30-06-16	30-06-17	30-06-16
Based on weighted average number of ordinary shares in issue (cents)	(0.10)	0.05	(0.07)	0.10
On a fully diluted basis (cents)	(0.10)	0.05	(0.07)	0.10

a) Earnings per ordinary share is calculated based on weighted average number of ordinary shares (excluding treasury shares) of 470,959,274 ordinary shares (30 Jun 2016 : 470,580,944 ordinary shares).

b) Diluted earnings per ordinary share is calculated based on weighted average number of ordinary shares (excluding treasury shares) of 472,091,685 ordinary shares (30 Jun 2016 : 472,098,163 ordinary 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.

Net asset value per ordinary share	30-06-17	31-12-16
Group (cents)	21.41	30.82
Company (cents)	26.20	34.83

Net asset value per ordinary share is calculated based on number of ordinary shares at 30 Jun 2017 of 471,124,461 ordinary shares (31 Dec 2016 : 470,884,461 ordinary 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.

### **Review of Group Performance**

The financial results of the continuing operations set out below reflect the Group's remaining Components business after the divestment of the Foam Plastics Solutions and Flow Control Devices businesses which was completed in December 2016. Comparisons with previous financial periods described below are in respect of the performance of the remaining Components business only for those previous financial periods.

### **Revenue and Gross Profit**

The Group's revenue decreased by 16.7% for the financial quarter ended 30 June 2017 ("2Q2017") to S\$79 million as compared to S\$94.9 million in 2Q2016. This is mainly due to the decrease in revenue from the remaining Components Business.

Gross profit margin increased to 6.8% in 2Q2017 as compared to 2.0% in 2Q2016 as a result of the Group's ongoing cost-cutting initiatives such as rightsizing and process streamlining.

### **Operating Expenses**

The Group's distribution expenses decreased by 4.4% to S\$0.82 million in 2Q2017 as compared to S\$0.86 million in 2Q2016.

Administration, sales and marketing expenses decreased to S\$2.7 million in 2Q2017 as compared to S\$4.9 million in 2Q2016 mainly due to lower salary costs in 2Q2017.

The Group recorded other expenses of S\$0.87 million in 2Q2017 as compared to S\$0.39 million in 2Q2016. This is mainly due to the redundancy cost of S\$0.8 million in 2Q2017.

**Tax Expense**

The Group recorded a tax expense of S\$0.6 million for 2Q2017 as compared to S\$0.5 million in 2Q2016.

**Net Profit**

Due to the above factors, the Group recorded a profit from continuing operations of S\$0.2 million in 2Q2017 as compared to a loss of S\$6.2 million in 2Q2016.

**Balance Sheet**

The Net Asset Value (NAV) per share of the Group decreased to 21.41 cents as at 30 June 2017 from 30.82 cents as at 31 December 2016 mainly due to payment of dividend to shareholders during 1Q2017.

**Cash Flow**

The Group recorded net cash used in operating activities of S\$18.0 million in 2Q2017 as compared to net cash from operations of S\$1.3 million in 2Q2016 mainly due to changes in working capital.

Net cash used in investing activities increased to S\$3.1 million in 2Q2017 as compared to S\$1.2 million in 2Q2016 mainly due to higher capital expenditure and lower proceeds from disposal of property, plant and equipment in 2Q2017.

Net cash from financing activities was S\$9.7 million in 2Q2017 as compared to net cash used in financing activities S\$32.9 million in 2Q2016 mainly due to higher repayment of loans in 2Q2016.

Cash and cash equivalents as at 30 June 2017 was S\$9.3 million as compared to S\$23.6 million as at 30 June 2016.

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

Our operating performance is in line with our announcement on 9 May 2017.

- 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.

Looking forward, the management expects the next half year to continue to be challenging.

To overcome the challenges, the management will continue with its rigorous efforts in optimizing its operational efficiencies and costs.

- 11 Dividend

- (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ? None

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

Any dividend declared for the corresponding period of the immediately preceding financial year? None

- (c) Date payable

NIL

- (d) Books closure date

N.A.

**BROADWAY INDUSTRIAL GROUP LIMITED**

**Company Registration No. 199405266K**

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- 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 pursuant to Rule 705(5). (Not required for announcement on full year results)  
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 2017, to be false or misleading in any material aspect.
- 15 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 procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

**By Order of the Board**

Lew Syn Pau

Chairman

**8 August 2017**