

BROADWAY INDUSTRIAL GROUP LIMITED

Company Registration No. 199405266K

Third Quarter Financial Statement Announcement For the Period Ended 30 September 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & 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		
		Third quarter ended 30-09-17 S\$'000	30-09-16 S\$'000	Increase/ (Decrease) %	Year to date 30-09-17 S\$'000	30-09-16 S\$'000	Increase/ (Decrease) %
<u>Continuing operations</u>							
Revenue		105,171	92,218	14.0	273,683	266,745	2.6
Cost of sales		(97,635)	(93,286)	4.7	(254,654)	(266,894)	(4.6)
Gross profit/(loss)		7,536	(1,068)	n.m.	19,029	(149)	n.m.
Distribution expenses		(900)	(1,083)	(16.9)	(2,726)	(2,827)	(3.6)
Administrative, sales and marketing expenses		(3,363)	(4,950)	(32.1)	(10,244)	(14,816)	(30.9)
Other (expenses)/income	1	(1,993)	(726)	174.5	(3,144)	2,502	n.m.
Results from operating activities		1,280	(7,827)	n.m.	2,915	(15,290)	n.m.
Finance income		177	-	n.m.	554	29	n.m.
Finance costs		(510)	(1,152)	(55.7)	(1,318)	(4,143)	(68.2)
Net finance costs		(333)	(1,152)	(71.1)	(764)	(4,114)	(81.4)
Profit/(Loss) before tax	2	947	(8,979)	n.m.	2,151	(19,404)	n.m.
Tax expense	3	(596)	(252)	136.5	(1,549)	(892)	73.7
Profit/(Loss) from continuing operations		351	(9,231)	n.m.	602	(20,296)	n.m.
<u>Discontinued operations</u>							
Profit/(Loss) from discontinued operations (net of tax)		8	7,684	(99.9)	(642)	19,358	n.m.
Profit/(Loss) for the Group		359	(1,547)	n.m.	(40)	(938)	(95.7)
<u>Profit/(Loss) attributable to :</u>							
Owners of the Company		409	(1,624)	n.m.	92	(1,152)	n.m.
Non-controlling interests		(50)	77	n.m.	(132)	214	n.m.
Profit/(Loss) for the period		359	(1,547)	n.m.	(40)	(938)	(95.7)
n.m. - not meaningful							

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Statement of comprehensive income	Group			Group		
	Third quarter ended 30-09-17 S\$'000	30-09-16 S\$'000	Increase/ (Decrease) %	Year to date 30-09-17 S\$'000	30-09-16 S\$'000	Increase/ (Decrease) %
Profit/(Loss) for the period	359	(1,547)	n.m.	(40)	(938)	(95.7)
Other comprehensive (loss)/income						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences for foreign operations	(816)	1,385	n.m.	(4,673)	(8,060)	(42.0)
Effective portion of changes in fair value of cash flow hedges	-	32	(100.0)	-	60	(100.0)
Other comprehensive (loss)/income for the period, net of tax	(816)	1,417	n.m.	(4,673)	(8,000)	(41.6)
Total comprehensive loss for the period	(457)	(130)	n.m.	(4,713)	(8,938)	(47.3)
Total comprehensive income/(loss) attributable to :						
Owners of the Company	(422)	(211)	99.5	(4,662)	(9,040)	(48.4)
Non-controlling interests	(35)	81	n.m.	(51)	102	n.m.
Total comprehensive loss for the period	(457)	(130)	n.m.	(4,713)	(8,938)	(47.3)
Notes to Income Statement						
1) Other (expenses)/income						
Foreign exchange loss	(1,644)	(1,363)	20.6	(3,588)	(4,402)	(18.5)
Fair value (loss)/gain on financial derivatives	(72)	1,558	n.m.	1,279	6,340	(79.8)
Gain on disposal of property, plant & equipment	151	86	75.6	201	881	(77.2)
Scrap income	251	259	(3.1)	565	906	(37.6)
Government grants	111	672	(83.5)	593	898	(34.0)
Redundancy costs	(1,023)	(2,590)	(60.5)	(2,993)	(2,590)	15.6
Restructuring costs	-	(235)	(100.0)	-	(235)	(100.0)
Others	233	887	(73.7)	799	704	13.5
	(1,993)	(726)	174.5	(3,144)	2,502	n.m.
2) Profit/(Loss) before income tax included						
Depreciation	(3,882)	(6,925)	(43.9)	(12,713)	(21,156)	(39.9)
3) Tax expense						
Current tax	(330)	5	n.m.	(577)	(206)	180.1
Under provided in prior years	(266)	(257)	3.5	(972)	(686)	41.7
	(596)	(252)	136.5	(1,549)	(892)	73.7

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Third Quarter Financial Statement Announcement For the Period Ended 30 September 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	
		30-09-17 S\$'000	31-12-16 S\$'000	30-09-17 S\$'000	31-12-16 S\$'000
Assets					
Property, plant and equipment	1	79,338	109,865	13	24
Subsidiaries		-	-	100,000	100,000
Other receivables		15,324	15,133	-	-
Other investments	1	-	114	-	47
Non-current assets		94,662	125,112	100,013	100,071
Financial derivatives		-	575	-	-
Inventories		22,264	31,510	-	-
Trade and other receivables	5	61,464	56,183	24,445	2,914
Cash and cash equivalents		13,604	145,235	3,501	91,559
Assets held for sale	1	21,764	-	47	-
Current assets		119,096	233,503	27,993	94,473
Total assets		213,758	358,615	128,006	194,544
Equity					
Share capital		113,147	113,139	113,147	113,139
Reserves	2	(13,228)	(8,467)	298	305
Retained earnings		527	40,460	9,514	50,563
Equity attributable to owners of the Company		100,446	145,132	122,959	164,007
Non-controlling interests		(1,407)	(1,356)	-	-
Total equity		99,039	143,776	122,959	164,007
Liabilities					
Loans and borrowings		8,545	13,974	-	-
Trade and other payables	3	3,445	-	-	-
Provisions		4,250	4,250	4,250	4,250
Non-current liabilities		16,240	18,224	4,250	4,250
Financial derivatives		59	1,975	-	-
Loans and borrowings		4,928	87,110	-	2,000
Trade and other payables	4 & 5	90,084	103,838	792	24,282
Current tax liabilities		3,408	3,692	5	5
Current liabilities		98,479	196,615	797	26,287
Total liabilities		114,719	214,839	5,047	30,537
Total equity and liabilities		213,758	358,615	128,006	194,544

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 30-09-17		As at 31-12-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
4,928	-	85,110	2,000

Amount repayable after one year

As at 30-09-17		As at 31-12-16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
8,545	-	13,974	-

Details of any collaterals

Secured bank loans of the Group at 30 Sep 2017 are secured by corporate guarantees provided by one of the subsidiaries and machines of certain subsidiaries.

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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Third Quarter Financial Statement Announcement For the Period Ended 30 September 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	
	Third quarter ended		Year to date	
	30-09-17	30-09-16	30-09-17	30-09-16
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Continuing operations</u>				
Cash flows from operating activities				
Profit/(Loss) before tax	947	(8,979)	2,151	(19,404)
Adjustments for :				
Depreciation of property, plant and equipment	3,882	6,925	12,713	21,156
Equity-settled share-based payment transactions	1	15	1	64
Fair value loss/(gain) on financial derivatives	72	(1,558)	(1,279)	(6,340)
Gain on disposal of property, plant and equipment	(151)	(86)	(201)	(881)
Interest expense	510	1,152	1,318	4,143
Interest income	(177)	-	(554)	(29)
	<u>5,084</u>	<u>(2,531)</u>	<u>14,149</u>	<u>(1,291)</u>
Change in inventories	8,065	3,353	7,522	14,085
Change in trade and other receivables	(4,811)	(371)	(9,881)	(7,440)
Change in trade and other payables	8,901	9,074	(695)	351
	<u>17,239</u>	<u>9,525</u>	<u>11,095</u>	<u>5,705</u>
Income tax paid/(received)	(279)	143	(1,619)	(220)
Net cash from operating activities	<u>16,960</u>	<u>9,668</u>	<u>9,476</u>	<u>5,485</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment	(353)	(4,442)	(5,602)	(12,122)
Interest received	2	-	28	29
Proceeds from disposal of property, plant and equipment	175	697	277	1,672
Net cash used in investing activities	<u>(176)</u>	<u>(3,745)</u>	<u>(5,297)</u>	<u>(10,421)</u>
Cash flows from financing activities				
Dividends paid to owners of the Company	-	-	(40,025)	-
Interest paid	(510)	(1,152)	(1,318)	(4,143)
Proceeds from bank borrowings	7,393	10,441	20,563	50,332
Repayments of bank borrowings	(18,685)	(16,052)	(104,027)	(70,905)
Payment of finance lease liabilities	(7)	-	(130)	-
Net cash used in financing activities	<u>(11,809)</u>	<u>(6,763)</u>	<u>(124,937)</u>	<u>(24,716)</u>
Net increase/(decrease) in cash and cash equivalents	<u>4,975</u>	<u>(840)</u>	<u>(120,758)</u>	<u>(29,652)</u>
<u>Discontinued operations</u>				
Net cash (used in)/from operating activities	(115)	9,501	(8,211)	15,543
Net cash used in investing activities	-	(1,759)	-	(3,028)
Net cash used in financing activities	-	(3,510)	-	(1,633)
Net (decrease)/increase in cash and cash equivalents	<u>(115)</u>	<u>4,232</u>	<u>(8,211)</u>	<u>10,882</u>
Net increase/(decrease) in cash and cash equivalents for the Group	4,860	3,392	(128,969)	(18,770)
Cash and cash equivalents at beginning of period	9,344	23,610	145,230	48,158
Effect of exchange rate fluctuations on cash held	(605)	417	(2,662)	(1,969)
Cash and cash equivalents at end of period *	<u>13,599</u>	<u>27,419</u>	<u>13,599</u>	<u>27,419</u>

* 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				
The Group									
At 1 January 2017	113,139	(237)	2,924	542	(11,696)	40,460	145,132	(1,356)	143,776
Total comprehensive loss									
Loss for the period	-	-	-	-	-	(317)	(317)	(82)	(399)
Other comprehensive loss									
Foreign currency translation differences for foreign operations	-	-	-	-	(3,923)	-	(3,923)	66	(3,857)
Total comprehensive loss for the period	-	-	-	-	(3,923)	(317)	(4,240)	(16)	(4,256)
Contributions by and distributions to owners									
Vesting of share awards	8	55	-	(63)	-	-	-	-	-
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)
Total contributions by and distributions to owners	8	55	-	(63)	-	(40,025)	(40,025)	-	(40,025)
At 30 June 2017	113,147	(182)	2,924	479	(15,619)	118	100,867	(1,372)	99,495
Total comprehensive (loss)/income									
Profit/(Loss) for the period	-	-	-	-	-	409	409	(50)	359
Other comprehensive (loss)/income									
Foreign currency translation differences for foreign operations	-	-	-	-	(831)	-	(831)	15	(816)
Total comprehensive (loss)/income for the period	-	-	-	-	(831)	409	(422)	(35)	(457)
Contributions by and distributions to owners									
Share-based payment transactions	-	-	-	1	-	-	1	-	1
Total contributions by and distributions to owners	-	-	-	1	-	-	1	-	1
At 30 September 2017	113,147	(182)	2,924	480	(16,450)	527	100,446	(1,407)	99,039

	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				
The Group											
At 1 January 2016	113,091	(333)	2,924	625	870	(7,189)	(79)	52,564	162,473	1,401	163,874
Total comprehensive income/(loss)											
Profit for the period	-	-	-	-	-	-	-	472	472	137	609
Other comprehensive income/(loss)											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	28	-	28	-	28
Foreign currency translation differences for foreign operations	-	-	-	-	-	(9,329)	-	-	(9,329)	(116)	(9,445)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(9,329)	28	472	(8,829)	21	(8,808)
Contributions by and distributions to owners											
Vesting of share awards	46	91	-	(137)	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	49	-	-	-	-	49	-	49
Total contributions by and distributions to owners	46	91	-	(88)	-	-	-	-	49	-	49
At 30 June 2016	113,137	(242)	2,924	537	870	(16,518)	(51)	53,036	153,693	1,422	155,115
Total comprehensive income/(loss)											
(Loss)/Profit for the period	-	-	-	-	-	-	-	(1,624)	(1,624)	77	(1,547)
Other comprehensive income/(loss)											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	32	-	32	-	32
Foreign currency translation differences for foreign operations	-	-	-	-	-	1,381	-	-	1,381	4	1,385
Total comprehensive income/(loss) for the period	-	-	-	-	-	1,381	32	(1,624)	(211)	81	(130)
Contributions by and distributions to owners											
Vesting of share awards	2	5	-	(7)	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	15	-	-	-	-	15	-	15
Total contributions by and distributions to owners	2	5	-	8	-	-	-	-	15	-	15
At 30 September 2016	113,139	(237)	2,924	545	870	(15,137)	(19)	51,412	153,497	1,503	155,000

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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
The Company					
At 1 January 2017	113,139	(237)	542	50,563	164,007
Total comprehensive loss					
Loss for the period	-	-	-	(565)	(565)
Total comprehensive loss for the period	-	-	-	(565)	(565)
Contributions by and distributions to owners					
Vesting of share awards	8	55	(63)	-	-
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	8	55	(63)	(40,025)	(40,025)
At 30 June 2017	113,147	(182)	479	9,973	123,417
Total comprehensive loss					
Loss for the period	-	-	-	(459)	(459)
Total comprehensive loss for the period	-	-	-	(459)	(459)
Contributions by and distributions to owners					
Share-based payment transactions	-	-	1	-	1
Total contributions by and distributions to owners	-	-	1	-	1
At 30 September 2017	113,147	(182)	480	9,514	122,959
At 1 January 2016	113,091	(333)	625	33,843	147,226
Total comprehensive loss					
Loss for the period	-	-	-	(1,283)	(1,283)
Total comprehensive loss for the period	-	-	-	(1,283)	(1,283)
Contributions by and distributions to owners					
Vesting of share awards	46	91	(137)	-	-
Share-based payment transactions	-	-	49	-	49
Total contributions by and distributions to owners	46	91	(88)	-	49
At 30 June 2016	113,137	(242)	537	32,560	145,992
Total comprehensive income					
Profit for the period	-	-	-	14,544	14,544
Total comprehensive income for the period	-	-	-	14,544	14,544
Transaction with owners, recognised directly in equity					
Contributions by and distributions to owners					
Vesting of share awards	2	5	(7)	-	-
Share-based payment transactions	-	-	15	-	15
Total contributions by and distributions to owners	2	5	8	-	15
At 30 September 2016	113,139	(237)	545	47,104	160,551

- 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.

There was no change in the Company's issued capital during the period from 30 Jun 2017 to 30 Sep 2017. There was no exercise of share options under the BIGL Share Option Scheme 2001 during the period.

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

As at 30 Sep 2017, there were 915,000 (30 Sep 2016 : 1,411,250) outstanding shares under the BIGL Share Plan.

As at 30 Sep 2017, there were 790,150 (30 Sep 2016 : 1,030,150) shares held as treasury shares.

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

Total number of issued shares excluding treasury shares as at 30 Sep 2017 was 471,124,461 (30 Sep 2016 : 470,884,461).

- 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 Sep 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 Sep 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 Sep 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	Third quarter		Year to date	
	30-09-17	30-09-16	30-09-17	30-09-16
Based on weighted average number of ordinary shares in issue (cents)	0.09	(0.35)	0.02	(0.24)
On a fully diluted basis (cents)	0.09	(0.34)	0.02	(0.24)

a) Earnings per ordinary share is calculated based on weighted average number of ordinary shares (excluding treasury shares) of 471,014,942 ordinary shares (30 Sep 2016 : 470,681,615 ordinary shares).

b) Diluted earnings per ordinary share is calculated based on weighted average number of ordinary shares (excluding treasury shares) of 472,122,255 ordinary shares (30 Sep 2016 : 472,246,675 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	30-09-17	31-12-16
Group (cents)	21.32	30.82
Company (cents)	26.10	34.83

Net asset value per ordinary share is calculated based on number of ordinary shares at 30 Sep 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 for those previous financial periods.

Revenue and Gross Profit

The Group's revenue increased by 14.0% for the financial quarter ended 30 September 2017 ("3Q2017") to S\$105.2 million as compared to S\$92.2 million in 3Q2016 mainly due to the increase in revenue from the remaining Components Business.

Gross profit margin increased to 7.2% in 3Q2017 as compared to negative (1.2%) in 3Q2016 as a result of higher revenue for the quarter together with the Group's ongoing cost-cutting initiatives such as rightsizing and process streamlining.

Operating Expenses

The Group's distribution expenses decreased by 16.9% to S\$0.9 million in 3Q2017 as compared to S\$1.1 million in 3Q2016 mainly due to lower carriage cost resulting from sites consolidation.

Administration, sales and marketing expenses decreased to S\$3.4 million in 3Q2017 as compared to S\$5.0 million in 3Q2016 mainly due to lower salary costs resulting from reduced headcount in 3Q2017.

The Group recorded other expenses of S\$2.0 million in 3Q2017 as compared to S\$0.7 million in 3Q2016.

Tax Expense

The Group recorded a tax expense of S\$0.6 million for 3Q2017 as compared to S\$0.3 million in 3Q2016 mainly due to higher operation profit for 3Q2017.

Net Profit

Due to the above factors, the Group recorded a profit from continuing operations of S\$0.4 million in 3Q2017 as compared to a loss of S\$9.2 million in 3Q2016.

Balance Sheet

The Net Asset Value (NAV) per share of the Group decreased to 21.32 cents as at 30 September 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 from operating activities of S\$17.0 million in 3Q2017 as compared to S\$9.7 million in 3Q2016. This is mainly due to higher operating profit before working capital changes of S\$5.1 million in Q3 2017 as compared to operating loss before working capital changes of S\$2.5 million in 3Q2016.

Net cash used in investing activities decreased to S\$0.2 million in 3Q2017 as compared to S\$3.7 million in 3Q2016 mainly due to lower payment made for capital expenditure in 3Q2017.

Net cash used in financing activities was S\$11.8 million in 3Q2017 as compared to S\$6.8 million in 3Q2016 mainly due to higher net repayment of loans in 3Q2017.

Cash and cash equivalents as at 30 September 2017 was S\$13.6 million as compared to S\$27.4 million as at 30 September 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 8 August 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.

Based on Trendfocus' long-term forecast published in October 2017, the shipment volumes will continue to remain above 100 million units in the subsequent quarter.

Despite a moderately favorable quarter, the management will continue to remain vigilant and continuously improve its operational efficiencies to overcome future challenges.

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.

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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 September 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 November 2017