

BROADWAY INDUSTRIAL GROUP LIMITED

Company Registration No. 199405266K

Unaudited Condensed Interim Financial Statements

For the Six Months Ended and Full Year Ended 31 December 2021

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Broadway Industrial Group Ltd
Unaudited Condensed Interim Financial Statements
For the Six Months Ended and Full Year Ended 31 December 2021

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

	Notes	Group 6 months ended			Group 12 months ended		
		31 Dec 2021	31 Dec 2020	Change	31 Dec 2021	31 Dec 2020	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4	260,051	209,543	24.1	471,410	400,673	17.7
Cost of sales		(240,093)	(194,557)	23.4	(436,754)	(372,950)	17.1
Gross profit		19,958	14,986	33.2	34,656	27,723	25.0
Distribution expenses		(1,329)	(843)	57.7	(2,186)	(1,573)	39.0
Administrative expenses		(8,511)	(5,714)	48.9	(14,522)	(10,877)	33.5
Sales and marketing expenses		(212)	(305)	(30.5)	(540)	(483)	11.8
Research and development expenses		(206)	(675)	(69.5)	(591)	(675)	(12.4)
Other (expenses)/income	5	(1,487)	(387)	284.2	(476)	652	n.m.
Results from operating activities		8,213	7,062	16.3	16,341	14,767	10.7
Finance income		13	12	8.3	39	20	95.0
Finance costs		(551)	(493)	11.8	(1,125)	(1,181)	(4.7)
Net finance costs		(538)	(481)	11.9	(1,086)	(1,161)	(6.5)
Profit before income tax	6	7,675	6,581	16.6	15,255	13,606	12.1
Income tax (expense)/income	7	(610)	220	n.m.	(828)	(41)	n.m.
Profit for the period		7,065	6,801	3.9	14,427	13,565	6.4
Other comprehensive income/(loss) :							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations, net of tax		308	(2,819)	n.m.	1,409	(1,420)	n.m.
Total comprehensive income		7,373	3,982	85.2	15,836	12,145	30.4
Profit for the period arising from:							
Continuing Operations		7,065	5,380	31.3	14,427	12,144	18.8
Discontinued operations		-	1,421	n.m.	-	1,421	n.m.
		7,065	6,801	3.9	14,427	13,565	6.4
Profit/(Loss) for the period attributable to :							
Owners of the Company		7,439	7,349	1.2	15,269	14,113	8.2
Non-controlling interests		(374)	(548)	(31.8)	(842)	(548)	53.6
		7,065	6,801	3.9	14,427	13,565	6.4
Total comprehensive income/(loss) attributable to :							
Owners of the Company		7,726	4,538	70.3	16,615	12,700	30.8
Non-controlling interests		(353)	(556)	(36.5)	(779)	(555)	40.4
Total comprehensive income		7,373	3,982	85.2	15,836	12,145	30.4

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**A Condensed interim consolidated statement of profit or loss and other comprehensive Income
(Cont'd)****Earnings per share for profit for the period attributable to the owners of the Company**

		Group			Group		
		6 months ended		Change	12 months ended		Change
31 Dec	31 Dec		31 Dec		31 Dec		
2021	2020		2021	2020			
Cents	Cents	%	Cents	Cents	%		
Basic							
Continuing operations	1.59	1.27	25.2	3.27	2.71	20.7	
Discontinued operations	-	0.30	n.m.	-	0.30	n.m.	
Total	8	1.59	1.57	1.3	3.27	3.01	8.6
Diluted							
Continuing operations	1.59	1.27	25.2	3.27	2.71	20.7	
Discontinued operations	-	0.30	n.m.	-	0.30	n.m.	
Total	8	1.59	1.57	1.3	3.27	3.01	8.6

n.m. - not meaningful

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B Condensed interim statements of financial position

	Notes	Group		Company	
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
		Reclassified			
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Property, plant and equipment	11	71,400	77,277	39	55
Right-of-use assets		5,289	6,348	120	263
Goodwill	12	-	2,374	-	-
Investments in subsidiaries		-	-	106,400	91,400
Other receivables		-	-	1,971	5,314
Other assets		52	-	52	-
Total non-current assets		76,741	85,999	108,582	97,032
Inventories		39,735	27,921	-	-
Trade and other receivables		83,470	57,786	11,907	13,355
Other assets		1,116	1,140	12	1
Cash and cash equivalents		27,664	28,995	9,810	1,777
Total current assets		151,985	115,842	21,729	15,133
Total assets		228,726	201,841	130,311	112,165
EQUITY AND LIABILITIES					
Equity					
Share capital	13	113,166	113,164	113,166	113,164
(Accumulated losses)/Retained earnings		(10,041)	(22,969)	16,556	(3,204)
Other reserves		(16,266)	(15,668)	(1,917)	27
Equity attributable to owners of the Company		86,859	74,527	127,805	109,987
Non-controlling interests		887	1,666	-	-
Total equity		87,746	76,193	127,805	109,987
Loans and borrowings	14	5,627	11,017	-	-
Other liabilities		2,019	1,783	-	-
Lease liabilities		3,927	5,158	-	117
Other payables		-	888	-	-
Total non-current liabilities		11,573	18,846	-	117
Income tax payable		3,909	3,668	5	5
Loans and borrowings	14	5,627	2,204	-	-
Lease liabilities		1,740	1,452	117	135
Trade and other payables		118,131	99,478	2,384	1,921
Total current liabilities		129,407	106,802	2,506	2,061
Total liabilities		140,980	125,648	2,506	2,178
Total equity and liabilities		228,726	201,841	130,311	112,165

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C Condensed interim statements of changes in equity

The Group	Other reserves					(Accumulated losses)/ retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Share-based payment reserve	Translation reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2021	113,164	(396)	2,924	423	(18,619)	(22,969)	74,527	1,666	76,193
Total comprehensive income/(loss) for the year	-	-	-	-	1,346	15,269	16,615	(779)	15,836
Purchase of treasury shares	-	(1,930)	-	-	-	-	(1,930)	-	(1,930)
Share-based payment	2	6	-	(20)	-	-	(12)	-	(12)
Dividend paid	-	-	-	-	-	(2,341)	(2,341)	-	(2,341)
Balance at 31 December 2021	113,166	(2,320)	2,924	403	(17,273)	(10,041)	86,859	887	87,746
Balance at 1 January 2020	113,163	(404)	2,924	435	(17,206)	(37,082)	61,830	24	61,854
Total comprehensive income/(loss) for the year	-	-	-	-	(1,413)	14,113	12,700	(555)	12,145
Share-based payment	1	8	-	(12)	-	-	(3)	-	(3)
Acquisition of a subsidiary	-	-	-	-	-	-	-	2,197	2,197
Balance at 31 December 2020	113,164	(396)	2,924	423	(18,619)	(22,969)	74,527	1,666	76,193

The Company	Other reserves				Total equity
	Share capital	Treasury shares	Share-based payment reserve	(Accumulated losses)/ retained earnings	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2021	113,164	(396)	423	(3,204)	109,987
Total comprehensive income for the year	-	-	-	22,101	22,101
Purchase of treasury shares	-	(1,930)	-	-	(1,930)
Share-based payment	2	6	(20)	-	(12)
Dividend paid	-	-	-	(2,341)	(2,341)
Balance at 31 December 2021	113,166	(2,320)	403	16,556	127,805
Balance at 1 January 2020	113,163	(404)	435	(1,000)	112,194
Total comprehensive loss for the year	-	-	-	(2,204)	(2,204)
Share-based payment	1	8	(12)	-	(3)
Balance at 31 December 2020	113,164	(396)	423	(3,204)	109,987

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D Condensed interim consolidated statement of cash flows

	Group	
	12 months ended	
	31 Dec	31 Dec
	2021	2020
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	15,255	13,606
Allowance for inventory obsolescence	147	(891)
Club membership written-off	-	101
Depreciation of property, plant and equipment	11,805	13,391
Depreciation of right-of-use assets	1,589	1,715
Equity-settled share-based payment transactions	(12)	(3)
Fair value losses on financial derivatives, net	-	30
Loss/(gain) on disposal of property, plant and equipment	13	(47)
Provision for costs associated with product quality	-	207
Write-back of doubtful receivables	(30)	(96)
Interest expense	1,125	1,181
Interest income	(39)	(20)
Impairment of goodwill	2,374	-
Operating cash flows before changes in working capital	32,227	29,174
Inventories	(11,299)	8,339
Trade and other receivables	(24,269)	(8,622)
Other assets	50	(391)
Trade and other payables	16,791	17,410
Other liabilities	196	328
Net cash flows from operations	13,696	46,238
Income tax paid	(666)	(3,899)
Net cash flows from operating activities	13,030	42,339
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,644)	(3,658)
Proceeds from disposal of property, plant and equipment	130	382
Acquisition of a subsidiary, net of cash acquired	-	(141)
Acquisition of other assets	(52)	-
Interest income received	39	20
Net cash flow used in investing activities	(5,527)	(3,397)
Cash flows from financing activities		
Proceeds from bank borrowings	12,665	115,156
Repayment of bank borrowings	(14,783)	(130,029)
Dividend paid to equity owners	(2,341)	-
Payment of principal portion of lease liabilities	(1,480)	(1,407)
Repurchase of own shares	(1,930)	-
Interest expense paid	(1,125)	(1,181)
Net cash flows used in financing activities	(8,994)	(17,461)
Net (decrease)/increase in cash and cash equivalents	(1,491)	21,481
Cash and cash equivalents, beginning balance	28,990	8,717
Effect of exchange rate fluctuations	165	(1,208)
Restricted cash (fixed deposits pledged as security)	-	5
Cash and cash equivalents, ending balance	27,664	28,995
Cash flows used in discontinued operations are as follows:		
Net cash flows used in operating activities	(1,000)	(5,573)
Net decrease in cash and cash equivalents	(1,000)	(5,573)

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 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group).

The company is an investment holding company.

The principal activities of the Group are disclosed in Note 4 below.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with the SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

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.

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

2.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

Note 12 - Goodwill and its impairment assessment

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

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4. Segment and revenue information

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standards on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the group.

For management purposes, the group is organised into the following major strategic operating segments that offer different products and services: (1) hard disk drive ("HDD"); (2) robotics; and (3) Others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance.

The segments and the types of products and services are as follows:

(1) HDD segment - This segment comprises the manufacturing and distribution of actuator arms and related assembly for the hard disk industry.

(2) 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) Others segment - This segment comprises investment holding.

4.1 Reportable segments

The following tables illustrate the information about the reportable segment profit or loss, assets, liabilities and other material items

	HDD	Robotics	Others	FCD & FPS (Disposed) *	Group Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
From 1 July 2021 to 31 December 2021					
Revenue to external customers	259,976	75	-	-	260,051
EBITDA	19,244	(3,358)	(1,049)	-	14,837
Net finance (costs)/income	(540)	3	(1)	-	(538)
Depreciation expense	(6,660)	(28)	64	-	(6,624)
Profit/(Loss) before income tax	12,044	(3,383)	(986)	-	7,675
Income tax expense	(387)	-	(223)	-	(610)
Profit/(Loss), net of tax	11,657	(3,383)	(1,209)	-	7,065
Total assets for reportable segments	224,834	2,284	1,608	-	228,726
Total liabilities for reportable segments	139,978	138	864	-	140,980
Capital expenditure	2,720	46	-	-	2,766
From 1 July 2020 to 31 December 2020					
Revenue to external customers	209,518	25	-	-	209,543
EBITDA	15,060	(1,256)	(859)	1,421	14,366
Net finance costs	(478)	-	(3)	-	(481)
Depreciation expense	(7,143)	(6)	(155)	-	(7,304)
Profit/(Loss) before income tax	7,439	(1,262)	(1,017)	1,421	6,581
Income tax income/(expense)	236	-	(16)	-	220
Profit/(Loss), net of tax	7,675	(1,262)	(1,033)	1,421	6,801
Total assets for reportable segments	194,744	6,329	768	-	201,841
Total liabilities for reportable segments	125,201	178	269	-	125,648
Capital expenditure	1,750	21	-	-	1,771

* Foam Plastics Solutions and Flow Control Device businesses have been disposed off in prior years.

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4.1 Reportable segments (cont'd)

	HDD	Robotics	Others	FCD & FPS (Disposed)*	Group Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
From 1 January 2021 to 31 December 2021					
Revenue to external customers	471,314	96	-	-	471,410
EBITDA	35,729	(4,510)	(1,484)	-	29,735
Net finance (costs)/income	(1,102)	19	(3)	-	(1,086)
Depreciation expense	(13,341)	(37)	(16)	-	(13,394)
Profit/(Loss) before income tax	21,286	(4,528)	(1,503)	-	15,255
Income tax expense	(604)	-	(224)	-	(828)
Profit/(Loss), net of tax	20,682	(4,528)	(1,727)	-	14,427
Total assets for reportable segments	224,834	2,284	1,608	-	228,726
Total liabilities for reportable segments	139,978	138	864	-	140,980
Capital expenditure	4,290	156	-	-	4,446
From 1 January 2020 to 31 December 2020					
Revenue to external customers	400,648	25	-	-	400,673
EBITDA	29,820	(1,349)	(19)	1,421	29,873
Net finance costs	(1,155)	(1)	(5)	-	(1,161)
Depreciation expense	(14,938)	(6)	(162)	-	(15,106)
Profit/(Loss) before income tax	13,727	(1,356)	(186)	1,421	13,606
Income tax (expense)/income	(121)	-	80	-	(41)
Profit/(Loss), net of tax	13,606	(1,356)	(106)	1,421	13,565
Total assets for reportable segments	194,744	6,329	768	-	201,841
Total liabilities for reportable segments	125,201	178	269	-	125,648
Capital expenditure	2,560	21	-	-	2,581

* Foam Plastics Solutions and Flow Control Device businesses have been disposed off in prior years.

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4.2 Geographical information

Singapore is the country of domicile of the company. The principal activity of the company is investment holding. The company's subsidiaries in the reportable segment are located in the People's Republic of China, Thailand and Singapore.

In presenting information on the basis of geographical segments, revenue is attributable to countries on the geographical location of customers and the non-current assets are analysed by the geographical area in which the assets are located:

	Group Revenue 6 months ended		Group Revenue 12 months ended		Group Non-Current Assets	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Thailand	174,728	142,071	312,091	271,775	46,508	51,102
People's Republic of China	85,321	67,138	159,048	128,543	30,014	34,576
Singapore	-	19	-	19	219	321
Other countries	2	315	271	336	-	-
Total	260,051	209,543	471,410	400,673	76,741	85,999

A breakdown of sales as follows :-

	Group		Increase/ (Decrease)
	Year 2021	Year 2020	
	S\$'000	S\$'000	%
Sales reported for first half year	211,359	191,130	10.6%
Operating profit after tax before deducting non-controlling interests reported for first half year	7,362	6,764	8.8%
Sales reported for second half year	260,051	209,543	24.1%
Operating profit after tax before deducting non-controlling interests reported for second half year	7,065	6,801	3.9%

5. Other Income/(expenses)

	Group 6 months ended		Group 12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Foreign exchange gains/(losses), net	213	(2,388)	706	(2,150)
Unrealised fair value losses on financial derivatives, net	-	-	-	(30)
(Loss)/gain on disposal of property, plant & equipment	(43)	(82)	(13)	47
Scrap income	849	737	1,736	1,130
Government grants	337	807	537	1,069
(Allowance for)/reversal of allowance for doubtful receivables	-	(33)	30	96
Reversal of unutilised provision of restructuring costs	-	620	-	620
Reversal of provision for claims	-	1,421	-	1,421
Redundancy costs	(253)	(390)	(907)	(508)
Allowance for inventory obsolescence	(116)	(194)	(116)	(194)
Provision for housing fund contribution for prior years	-	(594)	-	(594)
Costs associated with product quality	(192)	(207)	(192)	(207)
Club membership written off	-	(101)	-	(101)
Impairment of goodwill	(2,374)	-	(2,374)	-
Others	92	17	117	53
Total	(1,487)	(387)	(476)	652

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6. Profit before income tax included

	Group 6 months ended		Group 12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	(5,822)	(6,468)	(11,805)	(13,391)
Depreciation of right-of-use assets	(802)	(836)	(1,589)	(1,715)

7. Income tax expense

	Group 6 months ended		Group 12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax expenses	(403)	243	(621)	(137)
Over provision in prior years	-	(23)	-	96
Withholding tax on dividend income	(207)	-	(207)	-

8. Earnings per share

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

	Group 6 months ended		Group 12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Numerators :				
Profit attributable to owners of the Company	7,439	7,349	15,269	14,113
Denominators:	No. of Shares		No. of Shares	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	'000	'000	'000	'000
Weighted average numbers of equity shares (basic)	466,562	468,191	466,562	468,191
Unreleased share awards effect	75	214	75	214
Weighted average numbers of equity shares (diluted)	466,637	468,405	466,637	468,405

9. Dividends

	Group	
	Financial Year 2021	Financial Year 2020
	S\$'000	S\$'000
Ordinary dividends paid:		
Interim exempt 2021 dividend of 0.5 cents per share	2,341	-

10. Net asset value

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	18.95	15.92	27.89	23.49

Net asset value per ordinary share is calculated based on 458,281,561 ordinary shares as at 31 December 2021 (31 December 2020 : 468,221,561 ordinary shares).

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11. Property, plant and equipment

During the year ended 2021, the group acquired assets, mainly for manufacturing equipment, amounting to S\$4.4 million (31 December 2020: S\$2.6 million) and disposed assets that had net carrying value of S\$0.1 million (31 December 2020: S\$0.3 million).

12. Goodwill

	Group	
	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000
<u>Movements in net carrying value</u>		
Balance at beginning of the year	2,374	-
Arising from acquisition of subsidiary	-	2,374
Impairment loss	(2,374)	-
Balance at end of the year	-	2,374

Impairment assessment

The Group's goodwill arose from the acquisition of BAB in FY2020. BAB has soft launched its façade cleaning robot in China in 1H2021. However, in view of pricing and other challenges, the Group scaled back the planned multi-city launch of the robots in China and introduced the façade cleaning robot in the Singapore market where manpower for cleaning industry is in short supply, wage rates are high and the government is supportive of using robots to perform repetitive labour intensive work.

The Group began working with a local institution to collaborate on market analysis and technical enhancements required to meet local regulatory requirements for the product.

Leveraging on the research and development capabilities in BAB, the Group has also added disinfection robots and service delivery robots to its product range. The robots are expected to be launched in Singapore, Thailand and the Philippines markets in 1H2022. This will add further impetus to our nascent robotics business.

Management has considered the fact that BAB is a start up technology company with minimal short-term future earnings. Nonetheless, the management has exercised prudence and decided to fully impair the goodwill.

13. Share Capital

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

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

As at 31 December 2021, there were 40,000 (31 December 2020 : 165,000) outstanding shares in respect of unissued ordinary shares under the BIGL Share Plan.

As at 31 December 2021, there were 13,633,050 (31 December 2020 : 3,693,050) shares held as treasury shares.

Total number of issued shares excluding treasury shares as at 31 December 2021 was 458,281,561 (31 December 2020 : 468,221,561).

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

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14. Borrowings

	Group 31 Dec 2021		Group 31 Dec 2020 Reclassified	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	5,627	-	2,204	-
Amount repayable after one year	5,627	-	11,017	-
Total	11,254	-	13,221	-

Details of any collaterals

The Group's borrowings and debt securities relate to bank loans which are guaranteed by a subsidiary in the Group and are secured by land and buildings of a subsidiary.

15. Financial assets and financial liabilities

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	Reclassified			
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Financial Assets				
Long term receivables	-	-	1,971	5,314
Trade and other receivables	83,470	57,786	11,907	13,355
Cash and cash equivalents	27,664	28,995	9,810	1,777
Total	111,134	86,781	23,688	20,446
Financial Liabilities				
Loans and borrowings	11,254	13,221	-	-
Lease Liabilities	5,667	6,610	117	252
Trade and other payables	118,131	100,366	2,384	1,921
Total	135,052	120,197	2,501	2,173

16. 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 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue and Gross Profit

The Group's revenue increased by 17.7% from S\$400.7 million in FY2020 to S\$471.4 million in FY2021, mainly due to an increase in shipment volume and higher average selling price of our HDD products arising from a shift in our product mix from personal and mobile computing segments to high performance enterprise segment. Our key hard disk drive ("HDD") customers continued to report strong market demand for mass capacity and enterprise drives, driven by their original equipment manufacturer (OEM) customers and cloud data center companies.

The Group's gross profit margin increased from 6.9% in FY2020 to 7.4% in FY2021, as a result of better manufacturing capacity utilisation from increased shipment volume and continuing cost optimisation efforts for the Group's HDD operations.

Operating Expenses

In line with the Group's higher shipment volume in FY2021 and an increase in logistic costs from intermittent supply chain disruptions especially in 2H2021, distribution expenses increased by 39.0% from S\$1.6 million in FY2020 to S\$2.2 million in FY2021.

Administration expenses increased by 33.5% from S\$10.9 million in FY2020 to S\$14.5 million in FY2021, mainly due to higher staff related costs, professional fees and Covid-19 related expenses in FY2021.

Sales and marketing expenses increased by 11.8% from S\$0.48 million in FY2020 to S\$0.54 million in FY2021, mainly due to higher staff related costs in the robotics business in FY2021.

Research and development expenses decreased by 12.4% from S\$0.68 million in FY2020 to S\$0.59 million in FY2021, mainly due to lower consumable supplies in the robotics business in FY2021.

The Group recorded net other expenses of S\$0.5 million in FY2021 as compared to a net other income of S\$0.7 million in FY2020. The net other expenses in FY2021 comprised mainly loss on disposal of property, plant and equipment, allowance for inventory obsolescence, cost associated with product quality, impairment of goodwill and headcount redundancy costs from the productivity gain in the manufacturing operations, offset by foreign exchange gain, scrap income and government grants. The net other income in FY2020 comprised mainly reversal of provision of claims for discontinued operations, government grants, scrap income, reversal of unutilized provision for restructuring costs, offset by foreign exchange loss, provision for housing fund contribution for prior years, redundancy costs, costs associated with product quality, allowance for inventory obsolescence and club membership written off.

Tax Expense

The Group recorded a tax expense of S\$0.8 million in FY2021 as compared to S\$0.04 million in FY2020.

Net Profit

As a result of continued strong execution in key areas of the HDD operations and other items discussed in the foregoing sections, the Group recorded a 8.2% increase in net profit from operations of S\$15.3 million in FY2021 as compared to S\$14.1 million in FY2020.

Earnings Per Share

The Group's earnings per share increased by 8.6% from 3.01 cents in FY2020 to 3.27 cents in FY2021.

Balance Sheet

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

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The Group's net working capital increased by S\$13.5 million from S\$9.0 million as at 31 December 2020 to S\$22.6 million as at 31 December 2021. The improvement came from the increase in current assets of S\$36.1 million and offset by the increase in current liabilities of S\$22.6 million. The increase in current assets was mainly due to the increase in inventories of S\$11.8 million, and trade and other receivables of S\$25.7 million and offset by the reduction in cash and cash equivalents of S\$1.3 million. The S\$11.8 million increase in inventories was a direct mitigating measure against potential supply chain disruption as a consequence of the rapidly spreading Covid-19 Omicron variant. The increase in trade and other receivables was mainly due to the temporary favorable payment term, which expired on 31 December 2020, received from one of our main customers. The increase in current liabilities was mainly due to the increase in loans and borrowings of S\$3.4 million, lease liabilities of S\$0.3 million, trade and other payables of S\$18.7 million and income tax payable of S\$0.2 million.

The net asset value per share of the Group increased 19.0%, from 15.92 cents as at 31 December 2020 to 18.95 cents as at 31 December 2021.

The non-current assets at company level increased S\$11.6 million from S\$97.0 million to S\$108.6 million. The increase was mainly due to reversal of allowance for impairment on investments in subsidiaries of S\$15.0 million and impairment loss on other receivables of S\$3.4 million in FY2021.

Cash Flow

The Group generated S\$32.2 million from operations for the year ended 31 December 2021. After income tax payment and changes in working capital of S\$19.2 million, the Group recorded net cash generated from operating activities of S\$13.0 million in FY2021, as compared to net cash from operating activities of S\$42.3 million in FY2020.

The Group recorded net cash used in investing activities of S\$5.5 million in FY2021 as compared to S\$3.4 million in FY2020. The investing activities in FY2021 were mainly for capital expenditure of S\$5.6 million as compared to capital expenditure of S\$3.7 million in FY2020.

The Group recorded net cash used in financing activities of S\$9.0 million as compared to S\$17.5 million in FY2020. The financing activities in FY2021 were mainly for net repayment of bank borrowings and interest of S\$3.2 million (FY2020 : S\$16.1 million), dividend paid to shareholders of S\$2.3 million (FY2020 : nil), repurchase of own shares of S\$1.9 million (FY2020 : nil) and payment of lease liabilities of S\$1.5 million (FY2020 : S\$1.4 million).

Cash and cash equivalents as at 31 December 2021 were S\$27.7 million as compared to S\$29.0 million as at 31 December 2020.

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

No prospect statement has been previously disclosed.

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

Despite the very difficult and dynamic business environment caused by the ongoing COVID-19 pandemic and geopolitical tensions, the Group delivered a solid performance for the year of 2021, benefitting from the robust market demand for HDDs. The continued focus by the management team on operational efficiency and productivity improvement, working capital and cashflow management, and streamlining of manufacturing processes has contributed positively to the Group's operating gross margin and profit.

The evolving COVID-19 situation globally has resulted in countries adopting different approaches in managing the pandemic. This has and will continue to cause disruptions to the HDD supply chain as most of its suppliers and manufacturers are located in Asia. Barring any significant macro disruption and unforeseen negative impact of the COVID-19 situation, the Group remains cautiously optimistic about the prospects of our HDD business in the near-term as the demand for mass capacity drives (high performance enterprise HDDs) and legacy drives (personal storage HDDs) are expected to remain strong.

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

In line with its business plans, the Group's robotics business launched its façade cleaning robot in China in 1H2021 in a measured manner, targeting customers who are willing to deploy the greener and safer cleaning robot and to accept pricing that is higher than the current manual cleaning. In addition, the Group is also collaborating with selected robotics companies in China, leveraging on its research and development capabilities in Beijing and its portfolio of intellectual property to develop and sell service robots. The Group has commenced marketing activities for its robots in Singapore, Thailand and the Philippines markets. The robotics business is not expected to make a significant contribution to the Group's revenue in 2022.

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

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On 1 July 2021, the Company's wholly-owned subsidiaries, BIGL Asia Pte Ltd and BIGL Technologies (Shenzhen) Co., Ltd., (collectively, "the Sellers") issued a notice of termination of the Share Purchase Agreement ("SPA") to Suzhou Gefan Hardware ("the Purchaser") and Plastic Industrial Co., Ltd. and Seksun Technology (Suzhou) Co., Ltd in accordance with the terms and conditions of the SPA. Please refer to the Company's announcements made on 1 July 2021, 12 July 2021, 12 October 2021 and 17 January 2022 for material updates in respect of the termination.

The Company would like to update that the first hearing of the Arbitration is scheduled to take place on 25 March 2022 and the final judgement may take many months. The Company will make further announcements to update Shareholders when there are material updates in respect of the matter.

5. Dividend Information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend per share	0.5 cents	0.5 cents	0.5 cents
Tax Rate	Tax exempt	Tax exempt	Tax exempt
Date of payment	09/09/21	To be confirmed	To be confirmed

5b. Corresponding Period of the Immediate Preceding financial Year

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

5c. Date Payable

To be confirmed.

5d. Books Closure Date

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

To be confirmed.

6. Interested person transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Review of performance of the Group - turnover and earnings

Pls refer to note 2 in other information.

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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	37	Sister of Wong Yi Jia, Non-Executive Director and daughter of Lau Leok Yee, Substantial Shareholder	Senior Manager, Financial Planning and Analysis 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
17th February 2022