



BROADWAY INDUSTRIAL GROUP LIMITED
(Company Registration Number: 199405266K)
(Incorporated in Singapore)

**OFFER FROM SEKSUN TECHNOLOGY (SUZHOU) CO., LTD.
TO ACQUIRE THE HDD BUSINESS OF THE GROUP**

1. INTRODUCTION

- 1.1. The board of directors ("**Board**" or "**Directors**") of Broadway Industrial Group Limited ("**Company**", together with its subsidiaries, the "**Group**") refers to its announcements dated 28 May 2020 and 22 November 2020 in relation to the Company's (i) entry into a Non-Binding Indicative Proposal with a potential buyer to dispose of the Group's hard disk drive business ("**HDD Business**") (the "**Proposed Disposal**"); and (ii) ongoing negotiations with the potential buyer for a possible transaction for the Proposed Disposal (collectively, the "**Announcements**"). *Unless otherwise defined, all capitalised terms shall bear the same meanings as ascribed to them in the Announcements.*
- 1.2. The Board wishes to announce that the Company had on 23 November 2020 received a binding letter of intent (the "**Letter of Intent**") from Seksun Technology (Suzhou) Co., Ltd. (the "**Buyer**") pursuant to which the Buyer has made an offer (the "**Offer**") to purchase the HDD Business on terms and conditions set out therein.

2. DETAILS OF THE OFFER

2.1. The Buyer

The Buyer is a company incorporated in China, with its registered office at No. 16 Tianling Road, Wuzhong Economic Development Zone, Suzhou, Jiangsu Province, China and is a wholly-owned subsidiary of Suzhou Anjie Technology Co., Ltd., a public company listed on the Shenzhen Stock Exchange (SZSE Code:002635).

2.2. The Target Operations

Under the Letter of Intent, the Offer is for the Buyer to acquire substantially all of the assets used in the Group's actuator arm and related parts manufacturing operations ("**Target Operations**"), through the acquisition of the Target Assets (the "**Acquisition**"). Under the Letter of Intent, "Target Assets" refer to all of the properties and assets used in the Target Operations (excluding for such purposes the Excluded Properties (as defined below)), or transferable stock or other equity interests in the entities holding such properties and assets as follows:

- (a) all issued and outstanding equity interests in BIGL Technologies (Chongqing) Co., Ltd., BIGL Technologies (Wuxi) Co., Ltd. and BIGL Technologies (Thailand) Co., Ltd. (together, the "**Target Companies**");



- (b) all properties and assets used in the Target Operations, including for such purposes, the assets and properties owned by BIGL Technologies (Shenzhen) Co., Ltd. but excluding the land and buildings situated at Pingshan Street, Longgang district, Shenzhen and covered under Shenzhen Title Certificate No.0227103 (粤(2018)深圳市不动产权第 0227103 号) (the “**Excluded Properties**”). For the avoidance of doubt, plant and equipment and other movable assets which are situated on the Excluded Properties shall comprise part of the Target Assets to be disposed and are not excluded; and
- (c) any other properties or assets which may be mutually agreed between the Company and the Buyer to be acquired as Target Assets as specified in the definitive transaction document governing the Acquisition.

2.3. **Consideration for the Acquisition**

Subject to the terms and conditions of the Letter of Intent and as further set out in the definitive sale and purchase agreement (the “**Definitive SPA**”) to be negotiated and entered into between the Company and the Buyer (each a “**Party**” and collectively, the “**Parties**”) in respect of the Acquisition, the purchase price for the Acquisition shall be US\$50,000,000 (the “**Purchase Price**”), subject to certain assumptions including assumptions relating to the financial conditions of the Target Operations.

2.4. **Other Terms**

Under the Letter of Intent, the Offer also contemplates certain undertakings and terms in relation to, amongst others, (i) voting undertakings by certain shareholders; (ii) the lease of the Excluded Properties; (iii) continued employment of key management of the Target Companies; (iv) exclusivity for the duration of the Letter of Intent; and (v) covenants on the conduct of business by the Company for the duration of the Letter of Intent to the completion of the Acquisition.

2.5. **Definitive SPA**

The terms of the Acquisition shall be finalized and agreed in the Definitive SPA which shall be negotiated in good faith between the Parties with reference to and based on the terms of the Letter of Intent, and shall contain such representations, warranties, covenants, undertakings, conditions and indemnities as are customary in a transaction of this kind. The Parties shall also mutually discuss and agree on additional representations, warranties, covenants, undertakings, conditions, cost and indemnities to be provided by the Company and its affiliates in respect of certain issues identified by the advisors to the Buyer during the course of the due diligence investigations. The Parties shall proceed to draft and negotiate the Definitive SPA in respect of the Acquisition following the execution and delivery by the Company of its acceptance of the Letter of Intent. The Buyer may designate an affiliate or subsidiary to enter into the Definitive SPA for the purposes of effecting the Acquisition, and may assign its rights under the Letter of Intent to such designated affiliate or subsidiary in connection therewith.

2.6. **Termination**

The Letter of Intent will terminate on the earlier of:

- (a) 31 December 2020, or such other date as may be mutually agreed between the parties; and



- (b) the date on which the Definitive SPA is executed and delivered by each of the parties.

2.7. **Governing Law**

The Letter of Intent and the Definitive SPA shall be governed by and construed in accordance with the laws of the People's Republic of China.

3. **ACCEPTANCE OF THE LETTER OF INTENT**

The Company wishes to announce that it had, on 23 November 2020, accepted the Letter of Intent.

Shareholders should note that, as set out in the Letter of Intent, the Acquisition by the Buyer including the final terms of such Acquisition is subject to the negotiation and entry into the Definitive SPA and the satisfaction of various conditions, including obtaining the requisite Shareholder approvals. The Company intends to commission an independent valuation in connection with the Proposed Disposal. The Company will make further announcements to update shareholders on the Proposed Disposal as and when appropriate.

4. **INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company or their associates have any interest, direct or indirect, in the Offer and/or the Proposed Disposal (other than their respective shareholding interests, direct and/or indirect (if any), in the Company).

5. **TRADING CAUTION**

Shareholders should note that there is no assurance that the Definitive SPA will be entered into or that the Acquisition will eventually be completed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Broadway Industrial Group Limited

24 November 2020