



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

**PROPOSED DISPOSAL OF THE HDD BUSINESS OF THE GROUP
– TERMINATION OF ASSET AND SHARE PURCHASE AGREEMENT**

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, 22 November 2020, 24 November 2020, 31 December 2020 and 16 June 2021 (collectively, the "**Announcements**") in relation to the Proposed Disposal of the HDD Business of the Group. Unless defined otherwise, all capitalised terms used but not defined in this announcement shall have the meanings ascribed to them in the Announcements.
- 1.2 The Board wishes to inform Shareholders that the Company has, on 1 July 2021, issued a notice of termination to the Purchaser (the "**Notice of Termination**") to terminate the Asset and Share Purchase Agreement dated 31 December 2020 ("**SPA**") with immediate effect in accordance with the terms and on the conditions of the SPA (the "**Termination**").

2. TERMINATION OF THE SPA

- 2.1 The respective obligations of the parties to the SPA ("**Parties**") to consummate the Proposed Disposal at the closing of the SPA ("**Closing**") are subject to the satisfaction or waiver of the conditions precedents at or prior to 30 June 2021, or such other date as may be agreed in writing between the Parties ("**Long-stop Date**").
- 2.2 Pursuant to Section 4.1(c) of the SPA, it is a condition precedent to Closing that the Company shall have obtained the requisite approvals of Shareholders in an extraordinary general meeting of Shareholders ("**EGM**") validly convened for the purposes of approving the Proposed Disposal in compliance with the requirements of the listing rules of the SGX-ST, at or prior to the Long-stop Date.
- 2.3 As announced by the Company on 16 June 2021, the Company's circular to Shareholders in relation to the Proposed Disposal submitted in January 2021 was still subject to the SGX-ST's regulatory review process. As a result, the EGM could not be held at or prior to the Long-stop Date. Since then, the Company has been engaging with the Purchaser to discuss on the next steps to take, including a potential extension of the Long-stop Date on mutually acceptable terms. However, the Company and the Purchaser have not been able to agree on the extension of the Long-stop Date on mutually acceptable terms. As such, the Board is of the opinion that it would be in the interests of the Company that the SPA be terminated and the Company has issued the Notice of Termination on 1 July 2021 to terminate the SPA with immediate effect in accordance with the terms and on the conditions of the SPA.
- 2.4 Pursuant to Section 11.2 of the SPA, upon the Notice of Termination being given in accordance with Section 11.1(a)(iii) of the SPA, the SPA shall become void and there shall be no liability on the part of any Party (or any shareholder, director, officer, partner, employee, agent, consultant or representative of such Party) except as set out in Section 11.2 of the SPA, the relevant surviving provisions and any other clauses as expressly provided in the SPA, and provided that nothing contained in the SPA shall relieve any Party from liability for any intentional breach of the SPA. The Termination of the SPA shall not affect any rights of the Parties existing or accrued under the SPA prior to the Termination thereof, and such Party may seek such remedies with respect to any such accrued and existing rights as provided in the SPA or otherwise available at law or in equity.



3. **FINANCIAL IMPACT OF THE TERMINATION**

The Company envisages that the Termination is not expected to have any material adverse impact on the consolidated net tangible assets or earnings per share of the Company and the Group for the financial year ending 31 December 2021.

4. **POSSIBLE COURSE OF ACTION TO PROTECT SHAREHOLDERS' INTERESTS**

Following the Termination, the Company will continue to focus on its ongoing business activities in relation to the HDD Business. It will, at the same time, continue to source for other corporate, business, acquisition and financing opportunities as and when available and appropriate in order to enhance value for Shareholders.

5. **CAUTIONARY STATEMENT**

Shareholders or potential Shareholders are advised to read this announcement and any further announcements by the Company carefully, and to consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Broadway Industrial Group Limited

1 July 2021