

BROADWAY INDUSTRIAL GROUP LIMITED
Company Registration No. 199405266K
Full Year Financial Statement Announcement For the Year Ended 31 December 2013
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		
		Fourth quarter ended		Increase/ (Decrease)	Year to date		Increase/ (Decrease)
		31-12-13 S\$'000	31-12-12 S\$'000	%	31-12-13 S\$'000	31-12-12 S\$'000	%
Revenue		178,447	150,173	18.8	644,662	615,735	4.7
Cost of sales		(163,014)	(140,889)	15.7	(588,304)	(564,985)	4.1
Gross profit		15,433	9,284	66.2	56,358	50,750	11.1
Other income	1	3,973	12,086	(67.1)	13,347	36,782	(63.7)
Distribution expenses		(4,091)	(4,403)	(7.1)	(16,545)	(15,850)	4.4
Administrative expenses		(7,127)	(7,345)	(3.0)	(28,674)	(29,093)	(1.4)
Sales and marketing expenses		(2,725)	(4,145)	(34.3)	(10,091)	(10,081)	0.1
Other expenses	2	(1,019)	(924)	10.3	(1,948)	(4,389)	(55.6)
Results from operating activities		4,444	4,553	(2.4)	12,447	28,119	(55.7)
Finance income		187	113	65.5	642	660	(2.7)
Finance costs		(2,009)	(1,513)	32.8	(7,238)	(5,281)	37.1
Net finance costs		(1,822)	(1,400)	30.1	(6,596)	(4,621)	42.7
Share of profit of associates (net of tax)		47	109	(56.9)	273	161	69.6
Profit before income tax	3	2,669	3,262	(18.2)	6,124	23,659	(74.1)
Tax (expense)/credit	4	(2,313)	24	n.m.	(4,216)	742	n.m.
Profit for the period		356	3,286	(89.2)	1,908	24,401	(92.2)
Profit attributable to :							
Owners of the Company		307	3,246	(90.5)	1,635	24,501	(93.3)
Non-controlling interests		49	40	22.5	273	(100)	n.m.
Profit for the period		356	3,286	(89.2)	1,908	24,401	(92.2)

n.m. - not meaningful

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	Group			Group		
	Fourth quarter ended 31-12-13 S\$'000	31-12-12 S\$'000	Increase/ (Decrease) %	Year to date 31-12-13 S\$'000	31-12-12 S\$'000	Increase/ (Decrease) %
Statement of comprehensive income						
Profit for the period	356	3,286	(89.2)	1,908	24,401	(92.2)
Other comprehensive income :						
Foreign currency translation differences for foreign operations	2,093	251	n.m.	9,306	(20,841)	n.m.
Share of foreign currency translation differences of associates	(71)	(200)	(64.5)	(71)	(200)	(64.5)
Total comprehensive income for the period	2,378	3,337	(28.7)	11,143	3,360	n.m.
Total comprehensive income attributable to :						
Owners of the Company	2,295	3,283	(30.1)	10,765	3,499	n.m.
Non-controlling interests	83	54	53.7	378	(139)	n.m.
Total comprehensive income for the period	2,378	3,337	(28.7)	11,143	3,360	n.m.

Notes to Income Statement
1) Other income

Foreign exchange gain ^a	1,180	-	n.m.	6,254	-	n.m.
Fair value gain on financial derivatives ^b	682	1,868	(63.5)	387	18,264	(97.9)
Gain on disposal of property, plant & equipment	120	-	n.m.	-	341	(100.0)
Gain on disposal of other investment ^c	-	-	n.m.	-	841	(100.0)
Gain on disposal of an investment property	1,457	-	n.m.	1,457	-	n.m.
Proceeds from insurance claims ^d	25	9,403	(99.7)	506	13,623	(96.3)
Scrap income	374	522	(28.4)	1,454	2,158	(32.6)
Refund of employer's contributions	-	-	n.m.	834	-	n.m.
Others	135	293	(53.9)	2,455	1,555	57.9
	3,973	12,086	(67.1)	13,347	36,782	(63.7)

2) Other expenses

Foreign exchange loss ^e	-	(247)	(100.0)	-	(2,165)	(100.0)
Impairment losses on loan to investee companies	(108)	(560)	(80.7)	(427)	(2,224)	(80.8)
Loss on disposal of property, plant & equipment	-	(117)	(100.0)	(23)	-	n.m.
Allowance for impairment of other receivable	-	-	n.m.	(729)	-	n.m.
Withholding tax on dividend income from a subsidiary	(769)	-	n.m.	(769)	-	n.m.
Others	(142)	-	n.m.	-	-	n.m.
	(1,019)	(924)	10.3	(1,948)	(4,389)	(55.6)

^a The foreign exchange gain mainly arose from the realised gains from the translation of foreign currency-denominated monetary items.

^b These were mainly the unrealised mark-to-market (MTM) fair value gain related to forward and derivative contracts entered by the Group to manage its net currency exposure for payments denominated in Chinese Renminbi, Japanese Yen and Singapore Dollar, receipts denominated in United States Dollar and net investments in foreign operations, whose functional currencies are different from the Company's functional currency (Singapore Dollar).

^c The gain arose from the Group's disposal of its entire 2.69% shareholding in Jebesen & Jessen Packaging (S) Pte Ltd.

^d The proceeds from insurance claims in 4Q2012 and FY2012 were mainly due to the proceeds from insurance claims from Thailand floods.

^e The foreign exchange loss mainly arose from the losses realised from the forward and derivative contracts entered by the Group to hedge its payments denominated in Chinese Renminbi, Singapore dollar and Japanese Yen and receipts denominated in United States dollar.

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Notes to Income Statement (cont'd)	Group			Group		
	Fourth quarter ended		Increase/	Year to date		Increase/
	31-12-13	31-12-12	(Decrease)	31-12-13	31-12-12	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
3) Profit before income tax included						
Depreciation	(10,264)	(10,619)	(3.3)	(44,129)	(39,081)	12.9
4) Tax (expense)/credit						
Current tax expense	(925)	(1,333)	(30.6)	(4,325)	(3,993)	8.3
Deferred tax (expense) / credit	(44)	1,418	(103.1)	1,472	4,871	(69.8)
Underprovided in prior years	(1,344)	(61)	n.m.	(1,363)	(136)	n.m.
	(2,313)	24	n.m.	(4,216)	742	n.m.

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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	
		31-12-13 S\$'000	31-12-12 S\$'000	31-12-13 S\$'000	31-12-12 S\$'000
Assets					
Property, plant and equipment		213,316	217,586	127	166
Goodwill		60,052	57,957	-	-
Investment properties	1	-	3,317	-	2,219
Subsidiaries		-	-	152,136	140,315
Associates		1,368	1,198	98	98
Loans to subsidiaries		-	-	279	280
Loan to investee companies		757	731	757	731
Other investments		1,024	1,024	852	852
Deferred tax assets		14,283	12,325	-	-
Non-current assets		290,800	294,138	154,249	144,661
Financial derivatives		365	363	-	-
Inventories		93,325	93,095	-	-
Trade and other receivables	2	146,481	127,325	3,719	4,043
Cash and cash equivalents		36,171	17,556	484	286
Asset held for sale	1	2,170	-	2,170	-
Current assets		278,512	238,339	6,373	4,329
Total assets		569,312	532,477	160,622	148,990
Equity					
Share capital		103,356	103,446	103,356	103,446
Reserves	3	(23,733)	(33,152)	601	312
Retained earnings		139,756	138,121	42,457	35,453
Equity attributable to owners of the Company		219,379	208,415	146,414	139,211
Non-controlling interests		1,632	1,254	-	-
Total equity		221,011	209,669	146,414	139,211
Liabilities					
Financial derivatives		-	290	-	-
Loans and borrowings	4	86,627	63,265	1,260	1,420
Trade and other payables	5	-	33,685	-	-
Deferred tax liabilities		249	272	-	-
Non-current liabilities		86,876	97,512	1,260	1,420
Financial derivatives		-	98	-	-
Loans and borrowings	4	90,815	86,567	2,160	2,160
Trade and other payables	5	155,983	125,262	10,769	5,949
Current tax liabilities		14,627	13,369	19	250
Current liabilities		261,425	225,296	12,948	8,359
Total liabilities		348,301	322,808	14,208	9,779
Total equity and liabilities		569,312	532,477	160,622	148,990

Notes to Balance Sheet :-

- 1) The investment property of the company was reclassified from non-current asset to assets held for sale as the property will be disposed in 1Q2014.
- 2) The higher trade and other receivables was mainly due to higher revenue generated in 4Q2013 compared to revenue generated in 4Q2012 in the components division.
- 3) The reserves comprise reserve for own shares, capital reserve, share option reserve, asset revaluation reserve, translation reserve and hedging reserve. Pages 7, 8 and 9 show the movements of reserves.
- 4) The increase in the Group's loans and borrowings was mainly for the financing of the purchases of property, plant and equipment in FY2012 for the components division.
- 5) The decrease in the Group's trade and other payables was mainly due to decrease in payable of property, plant and equipment, offset with higher trade payables in the components division.

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

Amount repayable in one year or less, or on demand

As at 31-12-13		As at 31-12-12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
77,601	13,214	77,900	8,667

Amount repayable after one year

As at 31-12-13		As at 31-12-12	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
86,627	-	63,265	-

Details of any collaterals

Secured bank loans of the Group are secured by legal charges over the Group's leasehold land and buildings and the investment property and by guarantees issued by certain subsidiaries and the Company.

The Company's secured bank loan is secured by its investment property.

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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	
	Fourth quarter ended		Year to date	
	31-12-13	31-12-12	31-12-13	31-12-12
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before income tax	2,669	3,262	6,124	23,659
Adjustments for :				
Depreciation of investment properties	14	18	69	73
Depreciation of property, plant and equipment	10,250	10,601	44,060	39,008
Equity-settled share-based payment transactions	31	14	199	180
Fair value gain on financial derivatives	(682)	(1,868)	(387)	(18,264)
(Gain)/Loss on disposal of property, plant and equipment	(120)	117	23	(341)
Gain on disposal of other investment	-	-	-	(841)
Gain on disposal of an investment property	(1,457)	-	(1,457)	-
Impairment loss on loan to investee companies	108	560	427	2,224
Allowance for impairment of other receivable	-	-	729	-
Interest expense	2,009	1,513	7,238	5,281
Interest income	(187)	(113)	(642)	(660)
Share of profit of associates, net of tax	(47)	(109)	(273)	(161)
	<u>12,588</u>	<u>13,995</u>	<u>56,110</u>	<u>50,158</u>
Change in inventories	5,457	1,457	3,428	(15,409)
Change in trade and other receivables	(3,677)	(8,866)	(13,446)	(13,534)
Change in trade and other payables	21,765	2,543	27,825	21,745
Cash generated from operating activities	<u>36,133</u>	<u>9,129</u>	<u>73,917</u>	<u>42,960</u>
Income tax paid	(1,111)	(884)	(4,709)	(3,906)
Net cash from operating activities	<u>35,022</u>	<u>8,245</u>	<u>69,208</u>	<u>39,054</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment	(7,410)	(24,003)	(69,874)	(84,080)
Acquisition of shares in an associate	-	(58)	-	(58)
Interest received	103	40	339	412
Loans to investee companies	-	-	-	(1,603)
Proceeds from disposal of property, plant and equipment	442	681	683	1,082
Proceeds from disposal of an investment property	2,562	-	2,562	-
Proceeds from disposal of other investment	-	-	-	1,166
Net cash used in investing activities	<u>(4,303)</u>	<u>(23,340)</u>	<u>(66,290)</u>	<u>(83,081)</u>
Cash flows from financing activities				
Dividends paid to owners of the Company	-	-	-	(6,232)
Interest paid	(2,009)	(1,513)	(7,238)	(5,281)
Proceeds from bank borrowings	15,150	17,799	150,328	77,998
Repayments of bank borrowings	(36,236)	(7,556)	(129,022)	(56,426)
Net cash (used in)/from financing activities	<u>(23,095)</u>	<u>8,730</u>	<u>14,068</u>	<u>10,059</u>
Net increase/(decrease) in cash and cash equivalents	7,624	(6,365)	16,986	(33,968)
Cash and cash equivalents at beginning of period	27,355	23,890	17,551	53,669
Effect of exchange rate fluctuations on cash held	1,187	26	1,629	(2,150)
Cash and cash equivalents at end of period *	<u>36,166</u>	<u>17,551</u>	<u>36,166</u>	<u>17,551</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	Total 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				
The Group										
At 1 January 2013	103,446	(393)	2,924	705	870	(37,258)	138,121	208,415	1,254	209,669
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	1,328	1,328	224	1,552
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	-	-	7,142	-	7,142	71	7,213
Total comprehensive income for the period	-	-	-	-	-	7,142	1,328	8,470	295	8,765
Transaction with owners of the Company, recognised directly in equity										
Contributions by owners of the Company										
Vesting of share awards	(90)	90	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	168	-	-	-	168	-	168
Total contributions by owners of the Company	(90)	90	-	168	-	-	-	168	-	168
At 30 September 2013	103,356	(303)	2,924	873	870	(30,116)	139,449	217,053	1,549	218,602
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	307	307	49	356
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	-	-	2,059	-	2,059	34	2,093
Share of foreign currency translation differences of associates	-	-	-	-	-	(71)	-	(71)	-	(71)
Total comprehensive income for the period	-	-	-	-	-	1,988	307	2,295	83	2,378
Transaction with owners of the Company, recognised directly in equity										
Contributions by owners of the Company										
Share-based payment transactions	-	-	-	31	-	-	-	31	-	31
Total contributions by owners of the Company	-	-	-	31	-	-	-	31	-	31
At 31 December 2013	103,356	(303)	2,924	904	870	(28,128)	139,756	219,379	1,632	221,011

	Reserves						Retained earnings S\$'000	Total 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				
The Group										
At 1 January 2012	103,446	(393)	2,924	525	870	(16,256)	119,852	210,968	1,393	212,361
Total comprehensive income for the period										
Profit/(Loss) for the period	-	-	-	-	-	-	21,255	21,255	(140)	21,115
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	-	-	(21,039)	-	(21,039)	(53)	(21,092)
Total comprehensive income for the period	-	-	-	-	-	(21,039)	21,255	216	(193)	23
Transaction with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Share-based payment transactions	-	-	-	166	-	-	-	166	-	166
Final tax-exempt dividend paid of 0.5 cent per share in respect of year 2011 to owners of the Company	-	-	-	-	-	-	(2,077)	(2,077)	-	(2,077)
Interim tax-exempt dividend paid of 1.00 cent per share in respect of year 2012 to owners of the Company	-	-	-	-	-	-	(4,155)	(4,155)	-	(4,155)
Total contributions by and distributions to owners of the Company	-	-	-	166	-	-	(6,232)	(6,066)	-	(6,066)
At 30 September 2012	103,446	(393)	2,924	691	870	(37,295)	134,875	205,118	1,200	206,318
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	3,246	3,246	40	3,286
Other comprehensive income										
Foreign currency translation differences for foreign operations	-	-	-	-	-	237	-	237	14	251
Share of foreign currency translation differences of associates	-	-	-	-	-	(200)	-	(200)	-	(200)
Total comprehensive income for the period	-	-	-	-	-	37	3,246	3,283	54	3,337
Transaction with owners of the Company, recognised directly in equity										
Contributions by owners of the Company										
Share-based payment transactions	-	-	-	14	-	-	-	14	-	14
Total contributions by owners of the Company	-	-	-	14	-	-	-	14	-	14
At 31 December 2012	103,446	(393)	2,924	705	870	(37,258)	138,121	208,415	1,254	209,669

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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 2013	103,446	(393)	705	35,453	139,211
Total comprehensive income for the period					
Loss for the period	-	-	-	(3,566)	(3,566)
Total comprehensive income for the period	-	-	-	(3,566)	(3,566)
Transaction with owners of the Company, recognised directly in equity					
Contributions by owners of the Company					
Vesting of share awards	(90)	90	-	-	-
Share-based payment transactions	-	-	168	-	168
Total contributions by owners of the Company	(90)	90	168	-	168
At 30 September 2013	103,356	(303)	873	31,887	135,813
Total comprehensive income for the period					
Profit for the period	-	-	-	10,570	10,570
Total comprehensive income for the period	-	-	-	10,570	10,570
Transaction with owners of the Company, recognised directly in equity					
Contributions by owners of the Company					
Share-based payment transactions	-	-	31	-	31
Total contributions by owners of the Company	-	-	31	-	31
At 31 December 2013	103,356	(303)	904	42,457	146,414
At 1 January 2012					
Total comprehensive income for the period					
Profit for the period	-	-	-	1,969	1,969
Total comprehensive income for the period	-	-	-	1,969	1,969
Transaction with owners of the Company, recognised directly in equity					
Contributions by owners of the Company					
Share-based payment transactions	-	-	166	-	166
Final tax-exempt dividend paid of 0.5 cent per share in respect of year 2011 to owners of the Company	-	-	-	(2,077)	(2,077)
Interim tax-exempt dividend paid of 1.00 cent per share in respect of year 2012 to owners of the Company	-	-	-	(4,155)	(4,155)
Total contributions by owners of the Company	-	-	166	(6,232)	(6,066)
At 30 September 2012	103,446	(393)	691	40,501	144,245
Total comprehensive income for the period					
Loss for the period	-	-	-	(5,048)	(5,048)
Total comprehensive income for the period	-	-	-	(5,048)	(5,048)
Transaction with owners of the Company, recognised directly in equity					
Contributions by owners of the Company					
Share-based payment transactions	-	-	14	-	14
Total contributions by owners of the Company	-	-	14	-	14
At 31 December 2012	103,446	(393)	705	35,453	139,211

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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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There was no change in the Company's issued capital during the period from 30 Sep 2013 to 31 Dec 2013.

As at 31 Dec 2013, there were 1,896,000 (31 Dec 2012 : 2,276,000) outstanding share options in respect of unissued ordinary shares under the BIGL Share Option Scheme 2001.

As at 31 Dec 2013, there were 1,846,500 (31 Dec 2012 : 1,703,000) outstanding shares in respect of unissued ordinary shares under the BIGL Share Plan.

There were 736,500 shares (31 Dec 2012 : 956,000) held as treasury shares.

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 31 Dec 2013 was 415,705,628 (31 Dec 2012 : 415,486,128).

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

As at 31 Dec 2013, 219,500 treasury shares were transferred to the BIGL Share Plan.

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.

3 Whether the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of 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.

Except as disclosed in paragraph 5 below, 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 2012.

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.

Change in accounting estimate

Arising from a study of the expected economic life of the CNC machines and industry's benchmark of the useful lives of the CNC machines used by the HDD and the consumer devices segments, the Group has revised the estimated useful lives of the CNC machines from five years to eight years with effect from 1 July 2013.

The effect of the change as follows :

	3Q2013	4Q2013	FY2013
	S\$'000	S\$'000	S\$'000
Decrease in depreciation charge	2,380	2,367	4,747
Decrease in deferred tax asset	(595)	(592)	(1,187)
Net effect of the change	1,785	1,775	3,560

The Group has adopted the new or revised FRS that have become effective for the financial year beginning 1 January 2013.

- 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.

Based on weighted average number of ordinary share in issue (cents)

On a fully diluted basis (cents)

Fourth quarter ended		Year to date	
31-12-13	31-12-12	31-12-13	31-12-12
0.07	0.78	0.39	5.90
0.07	0.78	0.39	5.87

a) Earnings per ordinary share is calculated based on weighted average number of shares of 415,663,295 shares (31 Dec 2012 : 415,486,128 shares).

b) Diluted earnings per ordinary share is calculated based on weighted average number of shares of 417,543,122 shares (31 Dec 2012 : 417,075,114 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.

The Group (cents)

The Company (cents)

31-12-13	31-12-12
52.77	50.16
35.22	33.51

Net asset value per ordinary share is calculated based on number of shares at 31 Dec 2013 of 415,705,628 shares (31 Dec 2012 : 415,486,128 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.

FY2013 vs FY2012 Review

Revenue and Gross Profit

The Group's revenue increased 4.7% year-on-year (yoy) to S\$644.7 million from S\$615.7 million for the financial year ended 31st December 2013 (FY2013). The increase was mainly attributable to higher sales from the foam plastics division and non-HDD segments in the components division.

Sales from the foam plastics division increased by 13.6% yoy to S\$196.5 million in FY2013 due to growth in protective packaging and automotive components segments while sales from the non-HDD business segments in the components division increased significantly by 81.5% yoy to S\$77.9 million in FY2013 compared to S\$42.9 million in FY2012 due to higher demand from the semi-conductor industry and consumer devices.

Sales from the HDD business segment decreased by 7.4% yoy to S\$370.3 million compared to S\$399.8 million due to a general decline in demand for the PC segment of the HDD industry.

Gross profit for FY2013 increased by 11.1% to S\$56.4 million yoy from S\$50.8 million in FY2012 with a slightly higher gross profit margin of 8.7% for FY2013 compared to 8.2% for FY2012. The increase in gross profit margin was primarily due to the improved sales performance of the non-HDD business segments.

Other Income

The Group recorded Other Income of S\$13.3 million in FY2013. It was mainly from realised foreign exchange gains and proceeds from the divestment of rental property.

Operating Expenses

The Group's distribution expenses increased by 4.4% yoy to S\$16.5 million in FY2013. The percentage increase was approximately comparable to the increase in revenue of 4.7% for FY2013.

Administration expenses had declined by 1.4% yoy to S\$28.7 million in FY2013 from S\$29.1 million due to the Group's cost control measures.

Other expenses decreased by 55.6% yoy to S\$1.9 million in FY2013 from S\$4.4 million in FY2012 due to the absence of foreign exchange losses recognised in FY2012.

Finance Costs

Finance costs increased by 37.1% yoy in FY2013 to S\$7.2 million from S\$5.3 million in FY2012 due to increased borrowings to fund expansion of capacity.

Tax Expense

Tax expense for FY2013 increased to S\$4.2 million compared to a tax credit of \$0.7 million in FY2012 due to a significant reduction in deferred tax credit and S\$1.4 million under provision for prior years.

Net Profit

The Group recorded a decreased net profit of S\$1.6 million for FY2013 compared to S\$24.5 million in FY2012 mainly due to the absence of one-off gains in Other Income in FY2012 from fair value gain on financial derivatives and proceeds from insurance claims for the Thailand floods.

Balance Sheet

The Group's cash conversion cycle was reduced to 56 days as at 31st December 2013 compared to 66 days as at 31st December 2012.

The Net Asset Value (NAV) per share of the Group increased from 50.16 cents as at 31st December 2012 to 52.77 cents as at 31st December 2013. This was mainly due to an increase in translation reserves.

Cash Flow

The Group recorded net cash from operations of S\$69.2 million in FY2013 compared to S\$39.1 million in FY2012. Cash flow for investing activities decreased to S\$66.3 million in FY2013 from S\$83.1 million in FY2012. The amount recorded in FY2013 was mainly for acquisition of property, plant and equipment incurred in FY2012.

Net gearing ratio increased slightly to 64.4% in FY2013 from 63.5% in FY2012. Cash and cash equivalents increased to S\$36.2 million in FY2013 from S\$17.6 million in FY2012.

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

In the Group's business update on 5 Nov 2013, the Group opined that HDD market outlook was likely to be flat based on available market research information, and that for FY2013, revenue growth would be led by the foam plastics division and it would actively seek to diversify its revenue streams through the non-HDD business segments.

In line with this, the Group recorded the following revenue :

S\$ Millions	FY2013	FY2012
HDD business segment	370.3	399.8
Foam plastics division	196.5	173.0
Non-HDD business segments	77.9	42.9

- 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.

On 14 Feb 2014, Trendfocus reported that the HDD market size for 2013 was 552 million units and forecasted 2014 market size at 547 million units. The Group has started reorganising its HDD division since 4Q2012 and will continue to do so to better position itself in the market.

In our non-HDD business, the SEMI Industry Research & Statistics Group, on 3 Dec 2013, forecasted a 33% growth for 2014 in worldwide semiconductor fab equipment spending. This may translate into positive opportunity for our Semiconductor components manufacturing business for FY2014.

Foam Plastics business experienced robust growth in FY2013. However, for FY2014 we would remain vigilant in view of the challenging economic conditions in China.

The Group remains cautious on its prospects for FY2014 in view of the above.

- 11 Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	NIL
Dividend Type	NIL
Dividend per share	NIL
Tax Rate	NIL
Date of payment	NIL

(b) Corresponding Period of the Immediately Preceding Financial year

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

Name of Dividend	NIL
Dividend Type	NIL
Dividend amount per share (in cents)	NIL
Tax Rate	NIL
Date of payment	NIL

(c) Date Payable

NIL

(d) Books closure date

N.A.

- 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 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

By business segments

	Year 2013				Year 2012			
	Foam Plastics	HDD	Non-HDD	Total	Foam Plastics	HDD	Non-HDD	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
External revenue, representing consolidated revenue	196,452	370,284	77,926	644,662	172,953	399,840	42,942	615,735
Finance income	466	129	9	604	293	346	20	659
Finance costs	(1,196)	(5,809)	(298)	(7,303)	(1,149)	(3,857)	(333)	(5,339)
Depreciation	(7,607)	(26,114)	(10,273)	(43,994)	(7,280)	(25,472)	(6,196)	(38,948)
Insurance claims	-	-	-	-	-	13,348	-	13,348
Share of profit of associates	273	-	-	273	161	-	-	161
Reportable segment profit/(loss) before tax	14,430	(9,204)	3,570	8,796	8,581	5,765	(1,096)	13,250
Reportable segment assets	155,064	317,290	75,619	547,973	134,177	340,562	42,178	516,917
Investment in associates	1,368	-	-	1,368	1,198	-	-	1,198
Capital expenditure	12,404	(41,838)	61,549	32,115	18,834	100,986	4,165	123,985
Reportable segment liabilities	80,307	242,716	14,387	337,410	72,072	221,989	15,909	309,970

Reconciliations of reportable segment profit or loss, assets and liabilities and other material items

	Year 2013	Year 2012
	S\$'000	S\$'000
Profit or loss		
Total profit for reportable segments	8,796	13,250
Unallocated amounts :		
- Fair value gain on financial derivatives	387	18,264
- Other corporate expenses	(3,332)	(8,016)
Share of profit of associates	273	161
Consolidated profit before tax	<u>6,124</u>	<u>23,659</u>
Assets		
Total assets for reportable segments	547,973	516,917
Investment in associates	1,368	1,198
Other unallocated amounts	19,971	14,362
Consolidated total assets	<u>569,312</u>	<u>532,477</u>
Liabilities		
Total liabilities for reportable segments	337,410	309,970
Other unallocated amounts	10,891	12,838
Consolidated total liabilities	<u>348,301</u>	<u>322,808</u>

	Year 2013			Year 2012		
	Reportable segment total	Adjustments	Consolidated total	Reportable segment total	Adjustments	Consolidated total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other material items						
Finance income	604	38	642	659	1	660
Finance costs	(7,303)	65	(7,238)	(5,339)	58	(5,281)
Capital expenditure	32,115	73	32,188	123,985	56	124,041
Depreciation	(43,994)	(135)	(44,129)	(38,948)	(133)	(39,081)
Impairment loss on loan to investee companies	-	(427)	(427)	-	(2,224)	(2,224)
Fair value gain on financial derivatives	-	387	387	-	18,264	18,264

Geographical segments

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenues		Non-current assets	
	Year 2013	Year 2012	Year 2013	Year 2012
	S\$'000	S\$'000	S\$'000	S\$'000
People's Republic of China	393,634	451,347	189,555	171,104
Singapore	11,178	11,622	61,495	87,793
Thailand	123,114	113,972	20,952	18,144
United States of America	69,014	15,935	2,848	3,132
Other regions	47,722	22,859	-	-
	644,662	615,735	274,850	280,173

- 15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Paragraph 8.

- 16 A breakdown of sales as follows :-

	Group		
	Year 2013	Year 2012	Increase/ (Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for first half year	303,769	331,136	(8.3)
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	675	20,996	(96.8)
(c) Sales reported for second half year	340,893	284,599	19.8
(d) Operating profit/(loss) after tax before deducting minority interests reported for second half year	1,233	3,405	(63.8)

BROADWAY INDUSTRIAL GROUP LIMITED

Company Registration No. 199405266K

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- 17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	FY2013 (S\$'000)	FY2012 (S\$'000)
Ordinary	-	6,232
Preference	-	-
Total	-	6,232

- 18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the former below.

If there are no such person, the issuer must make an appropriate negative statement.

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 Jia	30	Daughter of Wong Sheung Sze, Non-Executive Director, Advisor and substantial shareholder	Corporate Legal Counsel; 2013	Title changed from Regional Legal Counsel to Corporate Legal Counsel

By Order of the Board

Lew Syn Pau

Chairman

February 28, 2014