



BROADWAY INDUSTRIAL GROUP LIMITED

EXPANDING
CAPABILITIES
PURSuing
OPPORTUNITIES

ANNUAL REPORT 2023

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VISION, MISSION & VALUES



OUR VISION

To be a global leader in innovative technology and manufacturing, recognised as a preferred partner and employer of choice.



OUR MISSION

To delight our customers through consistent delivery of high-quality components by applying continuous improvement initiatives, sound engineering practices and commitment to optimise use of our resources.



OUR VALUES

PEOPLE

- PASSION
- INTEGRITY
- RESPECT
- RESPONSIBLE OWNERSHIP

INNOVATION

- AUTOMATION
- SYSTEM INTEGRATION
- DESIGN BREAKTHROUGH
- TECHNOLOGY BREAKTHROUGH
- MANAGEMENT BREAKTHROUGH

EFFICIENT & EFFECTIVE

- TEAMWORK
- PRODUCTIVITY
- BEST PRACTICE
- RESULTS ORIENTED
- WASTE ELIMINATION

CUSTOMER SATISFACTION

- QUALITY
- DELIVERY
- FLEXIBILITY
- PROMPT RESPONSE
- COMPETITIVE PRICING

DO THINGS RIGHT THE FIRST TIME AND EVERY TIME

MILESTONES



1969

Establishment

- Started as a manufacturer of foam moulded interior protective packaging in Singapore

1994

SGX Mainboard Listing

- The largest and most advanced foam plastics solutions provider in Southeast Asia

2000s

Expansion of Machining Business

- Recognised as one of the global leading suppliers in the HDD industry
- Diversified into semicon, scientific and medical equipment

2022
2023

Expansion of Precision Engineering Business

- Expanded capabilities in Thailand
- Set up sales office in South Korea and factory in Vietnam

1988
1993

Regional Expansion

- Established Southeast Asia operations and penetrated China market

1995

Started Precision Engineering Business

- Established Compart Holdings in Asia for precision machining business, supplying to the HDD industry

2016
2017

Divestment and Renaming

- Disposal of Broadway Foam Plastics Solutions and Compart Flow Control Devices divisions
- Compart renamed as BIGL

2023

Divestment of Robotics Business

- Disposal of investment in Robotics Business and cessation of Robotics operations, to focus on core capabilities in manufacturing

CORPORATE PROFILE

BIGL Group

Broadway Industrial Group Limited (the "Company") is a manufacturer of precision-machined components offering an excellent mix of cost-efficient manufacturing facilities, state-of-the-art technologies, experienced management teams and innovative solutions to a global customer base.

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 1994 (B69 / BRWY.SI), the Company is one of the leaders in the manufacture of precision components and assemblies. Headquartered in Singapore, the Company has five manufacturing facilities in China, Thailand and Vietnam with a total built-up area of 84,000 sqm.

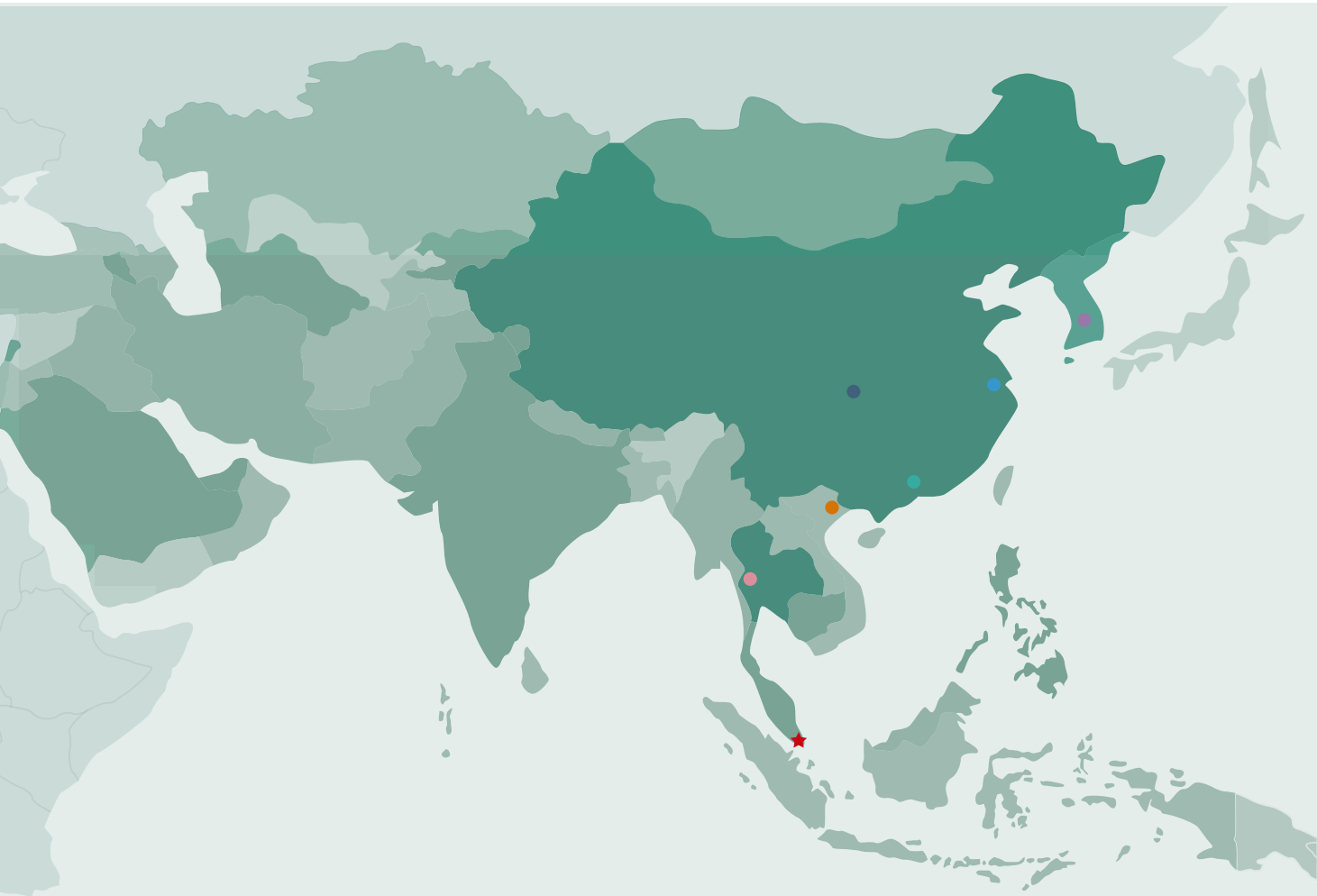
Hard Disk Drive (HDD)

Through its wholly-owned subsidiary, BIGL Asia Pte. Ltd., and its subsidiaries (together with the Company, "BIGL"), BIGL is a key provider of actuator arms, assemblies and other related parts mainly for the global HDD industry. BIGL is a trusted partner and has grown with our customers, who are recognised leaders in the HDD industry.

Precision Engineering (PE)

In late 2022, BIGL diversified into the manufacture and distribution of precision diecasting and machining parts primarily for the telecommunications equipment, industrial applications and automotive industries, as well as precision process toolings.

As part of its diversification strategy, BIGL has set up sales operations in South Korea and two factory operations in Vietnam, enabling BIGL to fast become an integral part of the local supply chain and capture new opportunities in the growing manufacturing industry.



- 
CHONGQING, CHINA
 (Coil Operations)
- 
WUXI, CHINA
 (Assembly Operations)
- 
SHENZHEN, CHINA
 (Machining Operations)
- 
SINGAPORE
 (Headquarter)
- 
AYUTTHAYA, THAILAND
 (Machining and Assembly Operations)
- 
HANOI, VIETNAM
 (Machining and Diecasting Operations)
- 
SOUTH KOREA
 (Sales/Support Office)

MESSAGE FROM CHAIRMAN & CEO



Leveraging on our manufacturing competencies and supply chain network, we set up a sales office in South Korea and completed the renovation of our factory in Vietnam. This is the Group's diversification effort to position itself as a full turnkey machining solutions provider and to create new revenue and profit stream from non-HDD customers.



DEAR SHAREHOLDERS,

GENERAL REVIEW

The financial year ended 31 December 2023 ("FY2023") was a challenging year for Broadway Industrial Group Limited ("BIGL" or together with its subsidiaries, the "Group").

We entered the first half of 2023 ("1H2023") with strong industry headwinds in the hard disk drive ("HDD") industry blowing since 2022. The demand for HDD fell sharply due to inventory correction at the HDD end markets. The market conditions were dampened as corporate businesses tightened their tech spending due to uncertainties in the macroeconomic environment and geopolitical tensions as well as the below-expectation economic performance of post-pandemic China, causing significant delay to the HDD demand recovery. In 1H2023, our Group's sales volume declined 40.6% year-on-year and total revenue fell to S\$126.3 million as compared to S\$228.3 million in the first half of 2022 ("1H2022"). The situation was expected to continue for the remainder of FY2023. The Management then acted swiftly and adjusted its strategy and plans by aligning the Group's build volume according to the market conditions and managing working capital and operating and manpower costs prudently.

Towards the end of FY2023, the HDD industry saw early signs of a rebound driven by HDD vendors receiving slightly larger customer orders due to the growth in hyperscale cloud demand to support rising data storage needs. Our Group's results improved owing to aggressive management efforts and the near-term HDD demand upturn. As a result, the Group achieved earnings turnaround of S\$4.0 million in 2H2023 compared to a net loss of S\$1.1 million in 1H2023. Net profit fell 58.3% year-on-year to S\$2.4 million in FY2023 in line with lower volume and revenue and due to the start-up expenses for our new Precision Engineering ("PE") business.

On the PE front, we set up a sales office in South Korea and completed the renovation of our factory in Vietnam, leveraging on our manufacturing competencies and supply chain network. This is the Group's diversification effort to position itself as a full turnkey machining solutions provider and to create new revenue and profit stream from non-HDD customers. We commenced our machining operations and recorded our maiden revenue contribution from the PE business in 1H2023. We also completed key customer qualification and geared up the factory to be fully operational in 2H2023.

Although our joint venture partner did not contribute the remaining subscription price of US\$2.2 million according to the shareholders' agreement, which had inevitably affected the execution of the PE business plans, the Group still generated S\$1.8 million revenue from the PE business in FY2023. Taking over the helm of the PE business in July 2023, our Group's Management commenced a strategic plan to establish a growing and diverse clientele in growth industries including the telecommunications equipment, industrial applications and automotive sectors across target markets such as South Korea, Vietnam, China, Europe and North America.

The Board evaluated the Group's long-term business strategy and decided to exit from the Robotics business which was severely impacted by the unprecedented COVID-19 pandemic. As a result of the evolving market environment, the execution of the Robotics business plans could not materialise despite significant efforts to collaborate with partners and accelerate the growth strategy. To consolidate our resources and focus on our core HDD business and our new and growing PE business, the Group disposed of its 100% equity stake in BIGL Enterprise Management (Beijing) Co., Ltd., which in turn held its 55% investment in Beijing Ant Brothers Technology Co., Ltd. ("BAB"), and ceased its robotics operations in Singapore in December 2023.

MESSAGE FROM CHAIRMAN & CEO



The Board is pleased that the arbitration case in Beijing was finally concluded after more than two years, with the arbitral tribunal rejecting all the claims requested by the claimants as set out in the Company's announcement dated 12 October 2021. Following the issuance of the final and binding arbitral award, the Jiangsu Wuxi Intermediate People's Court has lifted the freezing order on the Group's shareholdings in BIGL Technologies (Wuxi) Co., Ltd.

We are excited to end 2023 and start 2024 with a heightened focus on growing our core HDD business and newly established PE business. We are assured that our HDD and PE businesses will enjoy greater economies of scale and synergy through shared manufacturing facilities and resources, creating more value for our shareholders in the long term.

In its commitment to retaining and rewarding individuals who have contributed to the success and development of the Group, the Board made its first grant of options to the Independent Directors and key employees in FY2023. The Board will continue to evaluate the use of our new incentive plans – BIGL Share Plan 2022 and BIGL Share Option Scheme 2022 – as an additional motivational tool to reward and retain key employees as well as to strengthen the Company's competitiveness in attracting talent.

FINANCIAL REVIEW

The Group's financial performance in FY2023 was impacted by the downcycle of the HDD industry. Revenue declined by 26.6% from S\$352.3 million in FY2022 to S\$258.7 million in FY2023, mainly as a result of weak orders of HDD products from end customers and reduced tech spending by businesses amid the uncertain macroeconomic environment. Gross profit margin decreased from 6.0% in FY2022 to 5.4% in FY2023, mainly due to underutilisation of manufacturing capacity and resources and the start-up expenses incurred for the new PE business in FY2023.

The earnings before interest, tax, depreciation and amortisation ("**EBITDA**") for the Group came in at S\$16.1 million in FY2023

as compared to S\$23.2 million in FY2022. The Group's core EBITDA excluding net foreign currency exchange gains/losses and all exceptional items was S\$17.3 million in FY2023 as compared to S\$25.6 million in FY2022. The decrease in EBITDA was mainly due to lower revenue and gross profit margin in FY2023.

The Group's net working capital increased by S\$3.8 million from S\$24.8 million as at 31 December 2022 to S\$28.6 million as at 31 December 2023. The change came from the increase in current assets of S\$45.4 million, mainly due to higher trade and other receivables of S\$47.7 million and cash and cash equivalent of S\$4.5 million, offset by a reduction in inventories of S\$7.0 million. This was offset by the increase in current liabilities of S\$41.6 million, mainly due to higher trade and other payables of S\$44.2 million and lease liabilities of S\$1.1 million, offset by a decrease in short term loans and borrowings of S\$2.9 million.

The net asset value per share of the Group increased by 1.8% from 19.17 cents as at 31 December 2022 to 19.52 cents as at 31 December 2023.

The Group recorded net cash generated from operating activities of S\$18.5 million in FY2023, as compared to S\$19.3 million in FY2022. The Group recorded net cash used in investing activities of S\$5.9 million in FY2023 as compared to S\$4.0 million in FY2022, mainly for capital expenditure of S\$7.0 million of which S\$4.9 million was invested in the new PE business, as compared to capital expenditure of S\$4.7 million in FY2022. The Group received S\$0.13 million (US\$0.1 million equivalent) capital contribution from the minority shareholder of a newly set up subsidiary in the Republic of Korea, BIGL Korea Co., Ltd. ("**BIGL Korea**") in June 2023. The Group recorded net cash used in financing activities of S\$7.7 million in FY2023 compared to S\$13.4 million in FY2022, mainly for net repayment of bank borrowings and interest of S\$5.5 million (FY2022: S\$6.2 million), zero dividend paid to shareholders in FY2023 (FY2022: S\$4.6 million) and payment of lease liabilities of S\$2.2 million (FY2022: S\$1.8 million).

MESSAGE FROM CHAIRMAN & CEO

ASSETS

The net asset value of the Group of S\$88.7 million as at 31 December 2023 was derived based on the carrying value of net assets of the Group, including our property in Shenzhen which is carried at S\$16.4 million. The Group engaged a qualified professional valuer to value the property in Shenzhen as at 31 December 2023. The valuation for the Shenzhen property using the market approach by referencing to comparable market transactions was RMB226.0 million (approximately S\$42.0 million). The market value of the property is approximately S\$25.6 million above the carrying value.

The Company will continue to review and explore options of maximising the use of our Shenzhen property, including monetising it in order to unlock value for shareholders.

OUTLOOK AND CHALLENGES

As we enter 2024, we see the HDD market turning positive. According to the industry analyst, TRENDFOCUS, the early signs of the hyperscale demand recovery towards the end of 2023 appear sustainable with aggregate storage growth extending through 2024 even though individual cloud companies will experience typical expansion and digesting cyclicality. TRENDFOCUS also reported the expectation of steady improvements in 2024 with recovery continuing into 2025 and exabyte expansion fuelling through 2028. This is not unexpected as artificial intelligence (AI) revolutionises lives and businesses. Compared to just a decade ago, smartphones, social media, video sharing and cloud storage platforms today have accelerated the data storage growth exponentially. This creates a tailwind to HDD storage demand as consumers and businesses produce data-heavy, rich media content, such as videos, accelerating the pace of rich media growth, and hence storage demand.

On that note, the Company remains optimistic on the longer-term prospects of the HDD industry, driven mainly by the increasing needs for mass storage, particularly in the high performance enterprise and nearline HDD products that the Group is in. However, the HDD market is expected to remain fluid over the next 12 months as companies may continue to remain cautious on tech spending in the light of current economic uncertainties arising from prolonged geopolitical tensions. Furthermore, inflation, rising costs and interest rates remain key challenges for the Group. To manage and mitigate these challenges, the Group will continue with our efforts to reduce costs, improve margins, expand capacity and maximise utilisation. The Group will also continue to engage actively with our customers and participate in their high-growth programmes. Riding on a recovery of the HDD industry, we expect to see a positive outlook in the financial year ending 31 December 2024 ("FY2024").

Meanwhile, the Company is looking forward to full year revenue contributions from our PE business for FY2024, as we continue to work hard to capture growth opportunities outside the HDD industry and across various industries. The attractive geographic location of our PE manufacturing operations in Thailand and Vietnam, both as an alternative manufacturing source to China, enables us to take advantage of the well-established infrastructure, skilled workforce and low-cost of operations there. Our regional sales offices also put us in close proximity to high growth markets for telecommunications equipment, industrial applications and automotive products. These strengths will set the Group to fast become an integral part of the local supply chain and capture new opportunities in the

manufacturing industry. Although it has only been less than a year of operations in Vietnam, the business is already seeing customers, both local and multinational corporations, approaching us for supply chain collaborations.

Conversely, as with every start-up, there is no risk-free way to enter a new market and set up new capabilities. We do not anticipate lesser challenges from our PE business, an entirely new set-up, as it takes time and resources to ramp up production, build capabilities, train local skillsets, and establish trust and collaborative relationships with customers and suppliers. Nonetheless, we are confident that with our manufacturing competency and lean manufacturing methodology, we will establish and emerge as a key supplier to our customers. We will continue to work on customer acquisition, qualification and engagement activities to grow our customer base, drive sales and optimise our new PE business into a stable, scalable and high-growth revenue model.

The Company, through BIGL Asia Pte. Ltd. ("**BIGL Asia**"), is currently in discussion with the joint venture partner to acquire its shareholding in BIGL Korea. BIGL Asia has, until 31 December 2024, to exercise its right to require the joint venture partner to either sell all of its shares in BIGL Korea to BIGL Asia or its nominee or purchase all of BIGL Asia's shares in BIGL Korea. The Company will evaluate all options carefully in the best interest of our shareholders and will make the relevant announcement in due course.

The Company will focus on growing our businesses and at the same time look out for other diversification opportunities in high growth areas that also leverage on our core competency and expertise in the manufacture of precision components for electronics and other industries.

APPRECIATION

This is our 30th year since our listing on the Mainboard of the SGX-ST in 1994. Our success is dependent on the unwavering support of our customers, suppliers, bankers and business partners, whom we sincerely thank. We would also like to thank our management team and employees for their dedication and resilience. They have showcased exceptional agility to adapt to the evolving market conditions while meeting customer orders and delivering on schedule. We are equally grateful to our Board members for their support and guidance and our shareholders for staying with us through these challenging times.

In 2022, the Board announced that it aims to declare about 30% of its net profit after tax as dividends, subject to cash requirements for M&A activities and capital expenditure. As a reflection of business confidence in view of the signs of recovery of the HDD industry and the promising outlook for our PE business, the Board has proposed a final ordinary dividend of 0.5 Singapore cents per share for FY2023. The Board is committed to rewarding shareholders for their support and looks forward to having shareholders with us as we continue on our journey of expanding capabilities and pursuing opportunities.

LEW SYN PAU

Chairman

TAN CHOON HOONG

Chief Executive Officer

BOARD OF DIRECTORS & MANAGEMENT

**MR LEW SYN PAU**

*Non-Independent Non-Executive Chairman
Member, Audit Committee
Member, Nomination Committee
Member, Remuneration Committee*

Date of first appointment as director

- 2 November 2011

Date of last re-appointment as director

- 27 April 2022

Present directorships in other listed companies

- Nil

Principal commitments

- Director, BIGL Korea Co., Ltd.
- Director, BIGL Robotics Pte. Ltd.
- Director, BIGL Enterprises (Singapore) Pte. Ltd.
- Director, BIGL Holdings Pte. Ltd.
- Director, BIGL Asia Pacific Limited
- Director, BIGL Asia Pte. Ltd.
- Director, Oldham Sophia Investments Pte. Ltd.
- Director, Oldham Alpha Investments Pte. Ltd.
- Director, Stanbridge International Investments Limited
- Director, Stanbridge Enterprise Limited

Past directorships in other listed companies held over the preceding 5 years

- Independent Director, Golden Energy and Resources Limited
- Independent Director, Golden-Agri Resources Ltd
- Independent Director, Sinarmas Land Limited
- Independent Chairman, SUTL Enterprise Limited
- Independent Director, Food Empire Holdings Ltd

Background and experience

- July 2002 – June 2006: President, The Singapore Manufacturers' Federation
- 1994 – 1997: General Manager and Senior Country Officer, Banque Indosuez
- 1988 – 2001: Member of Parliament
- 1979 – 1994: Executive Director, NTUC Fairprice Co-operative Limited, Managing Director, NTUC Comfort Co-operative Limited and Assistant Secretary-General, NTUC

Qualifications

- Master of Engineering, Cambridge University, United Kingdom
- Master of Business Administration, Stanford University, United States of America

**MR BASIL CHAN**

*Lead Independent Director
Chairman, Audit Committee
Member, Nomination Committee
Member, Remuneration Committee*

Date of first appointment as director

- 1 December 2019

Date of last re-appointment as director

- 26 April 2023

Present directorships in other listed companies

- Independent Director, Grand Banks Yachts Limited
- Independent Chairman, Nera Telecommunications Ltd

Principal commitments

- Founder and Managing Director, MBE Corporate Advisory Pte. Ltd.

Past directorships in other listed companies held over the preceding 5 years

- Lead Independent Director, Memories Group Limited
- Independent Director, AEM Holdings Limited
- Independent Director, Global Invacom Group Limited

Background and experience

- Current: Non-Executive Director, Memories (2022) Pte. Limited
- Current: Member, Auditing & Assurance Standards Committee, Institute of Singapore Chartered Accountants
- Council Member and Board Director, Singapore Institute of Directors
- Deputy Chairman, Corporate Governance Committee, Institute of Singapore Chartered Accountants
- Member, Accounting Standards Committee, Institute of Singapore Chartered Accountants

Qualifications

- Bachelor of Science (Economics) (Hons) majoring in Business Administration, University of Wales Institute of Science and Technology, United Kingdom
- Fellow Member, Institute of Chartered Accountants in England and Wales
- Fellow Member, Institute of Singapore Chartered Accountants
- Fellow, Singapore Institute of Directors

BOARD OF DIRECTORS & MANAGEMENT



DR TEO HO PIN

*Independent Director
Chairman, Nomination Committee
Member, Audit Committee
Member, Remuneration Committee*

Date of first appointment as director

- 17 May 2021

Date of last re-appointment as director

- 27 April 2022

Present directorships in other listed companies

- Independent Chairman, Tiong Seng Holdings Limited
- Lead Independent Director, Enviro-Hub Holdings Ltd.
- Independent Director, ISOTeam Ltd.
- Independent Director, King Wan Corporation Limited

Principal commitments

- Nil

Past directorships in other listed companies held over the preceding 5 years

- Nil

Background and experience

- 2023 – Present: Chairman, Traditional Chinese Medicine Practitioners Board
- 2020 – Present: Senior Advisor, Surbana Technologies Private Limited
- 2020 – Present: Visiting Professor, Singapore University of Technology and Design
- 2017 – Present: Adjunct Professor, National University of Singapore
- 2022 – Present: Adjunct Professor, Singapore University of Social Sciences
- 1999 – Present: President, Building and Estate Management Alumni, National University of Singapore
- 2014 – 2015: Chairman, Mayor's Committee
- 2011 – 2015: Deputy Government Whip
- 2006 – 2020: Co-ordinating Chairman, PAP Town Councils
- 2001 – 2020: Mayor of North West District
- 2001 – 2020: Chairman, Holland-Bukit Panjang Town Council
- 1996 – 2020: Member of Parliament for Bukit Panjang Constituency
- 2004 – 2022: Vice-Chairman, Singapore Environment Council

Qualifications

- PhD in Building, Heriot-Watt University, United Kingdom
- Master of Science in Project Management (Distinction), Heriot-Watt University, United Kingdom
- Bachelor of Science in Building (Hons), National University of Singapore
- Honorary Fellow, Society of Project Managers
- NUS Distinguished Alumni Award 2007



MR JEN KWONG HWA

*Independent Director
Chairman, Remuneration Committee
Member, Audit Committee
Member, Nomination Committee*

Date of first appointment as director

- 20 December 2021

Date of last re-appointment as director

- 27 April 2022

Present directorships in other listed companies

- Nil

Principal commitments

- Director, Endomaster Pte. Ltd.
- Director, Gridcomm Pte. Ltd.
- Director, Endofotonics Pte. Ltd.
- Director, Connected Health Pte. Ltd

Past directorships in other listed companies held over the preceding 5 years

- Nil

Background and experience

- 2012 – 2015: Board Member, Ascendas (S) Pte Ltd
- 2005 – 2012: Board Member, Jurong Town Corporation
- 2002 – 2009: Member, Energy Market Authority
- 1999 – 2012: Managing Director, Micron Semiconductor Asia Pte. Ltd.

Qualifications

- Bachelor of Science (Engineering) (First Class Upper Honours), Imperial College, London



MS WONG YI JIA

*Non-Independent
Non-Executive Director
Member, Nomination Committee
Member, Remuneration Committee*

Date of first appointment as director

- 30 March 2015

Date of last re-appointment as director

- 26 April 2023

Present directorships in other listed companies

- Nil

Principal commitments

- Partner, Allen & Gledhill LLP

Past directorships in other listed companies held over the preceding 5 years

- Nil

Background and experience

- July 2012 – March 2015: Corporate Legal Counsel and Joint Company Secretary, Broadway Industrial Group Limited

Qualifications

- Master of Laws, University College London
- Bachelor of Laws, King's College London

BOARD OF DIRECTORS & MANAGEMENT

**MR TAN CHOON HOONG**

Chief Executive Officer

Mr Tan Choon Hoong was appointed as our Chief Executive Officer on 5 August 2019. He is responsible for providing leadership in the development of strategic plans to advance the Group's mission and objectives. He is also accountable for achieving the revenue, profitability and growth targets of the Group and ensuring production efficiency, quality, service and cost effective management of resources. He sits on the boards of our various subsidiaries.

Mr Tan started his career with Seagate Technology and has since amassed more than 30 years of experience in the HDD industry covering a wide scope including setup and management of operations, sales, marketing and business development activities, and strategic planning and management. He has also managed HDD component manufacturing operations in Singapore, Thailand and China.

Mr Tan holds a Master of Business Administration from Preston University, a Diploma in Marketing Management from the Singapore Management Institute and a Diploma in Mechanical Engineering from Ngee Ann Polytechnic.

**MR TIONG CHI SIENG**

Chief Financial Officer

Mr Tiong Chi Sieng was appointed as our Vice President, Corporate Affairs on 6 November 2019 and was promoted to Chief Financial Officer on 15 January 2021. He is responsible for the Group's Finance and Treasury functions as well as for the Group's Corporate Secretariat, HR, IT and Admin functions. He is also appointed to the boards of our various subsidiaries.

Mr Tiong was formerly the Vice President of Finance, Global HDD & Media Manufacturing Operations of Maxtor Corporation. He also served as the Vice President, Asia Regional Finance and concurrently as the Controller, South Asia of Solectron Technology Asia Operations, the Vice President and Regional Operational Officer of Kelly Services Inc., APAC, and a Consultant (Acting CFO) of The Stratech Group Ltd.

Mr Tiong holds a Master of Business Administration (Production Management) and a Bachelor of Commerce (Accounting and Information System) from the University of Otago, Dunedin, New Zealand.

**MR LEK YEW SEN**

Senior Vice President, HDD Operations

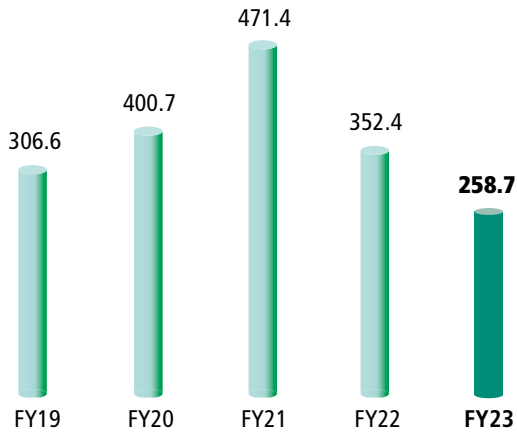
Mr Lek Yew Sen was appointed as our Vice President, HDD Operations on 16 September 2019 and was promoted to Senior Vice President, HDD Operations on 15 January 2021. He is responsible for the Group's HDD operations for factories in Thailand, Wuxi, Shenzhen and Chongqing. He is also appointed to the boards of our various subsidiaries.

Mr Lek started his career in HDD at Western Digital Singapore working on component engineering, design engineering and supplier quality engineering and management for 8 years. Thereafter, he continued to work in HDD and HDD supply chain in China for Connertech, Excelstor, Xiptech and Belton taking up senior management role. Over the last 3 decades in China, Mr Lek has taken on general manager role for nearly 2 decades setting up factories, structuring, restructuring and optimising resources, instituting lean manufacturing operations and ensuring operational sustainability and profitability.

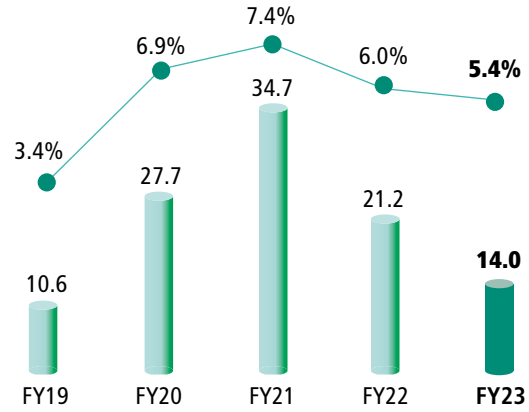
Mr Lek holds a Bachelor of Mechanical and Production Engineering from the National University of Singapore.

FINANCIAL HIGHLIGHTS

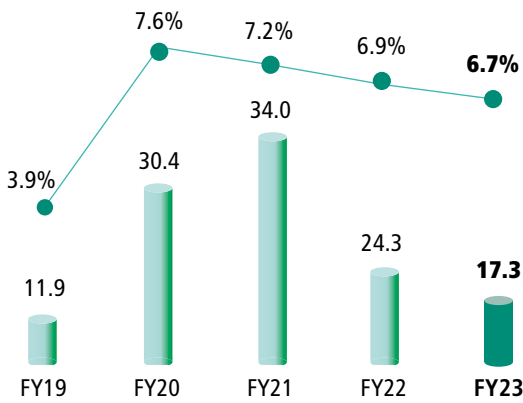
TURNOVER (\$S' MIL)



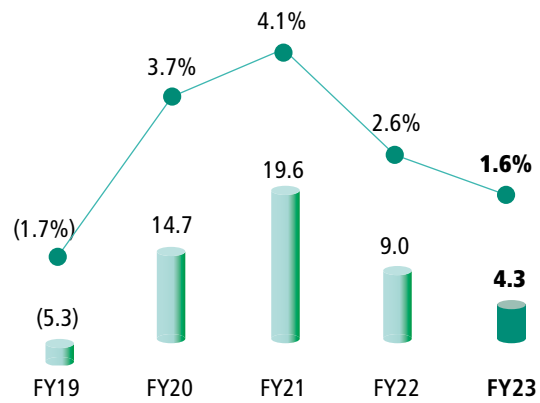
GROSS PROFIT (\$S' MIL)



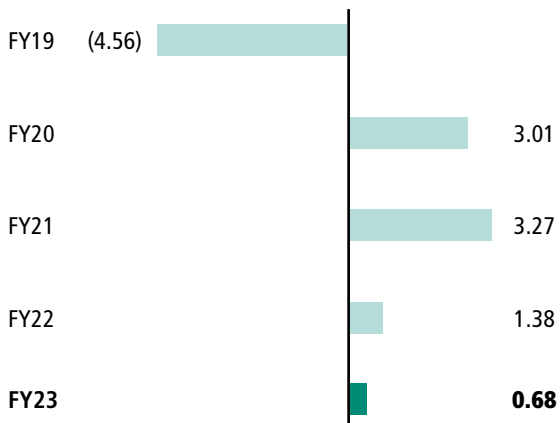
CORE EBITDA EXCLUDING NET FOREX GAINS/LOSSES AND ALL EXCEPTIONAL ITEMS (\$S' MIL)



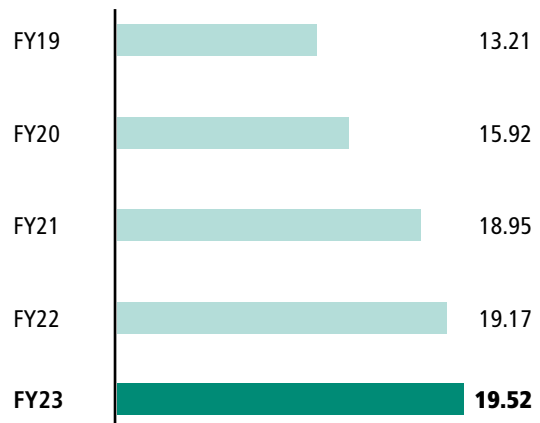
CORE PATMI EXCLUDING NET FOREX GAINS/LOSSES AND ALL EXCEPTIONAL ITEMS (\$S' MIL)



BASIC EARNINGS PER SHARE (\$S CENTS)



NET ASSET VALUE PER SHARE (\$S CENTS)



BOARD OF DIRECTORS

Lew Syn Pau
Basil Chan
Teo Ho Pin
Jen Kwong Hwa
Wong Yi Jia

Non-Independent Non-Executive Chairman
 Lead Independent Director
 Independent Director
 Independent Director
 Non-Independent Non-Executive Director

MANAGEMENT

Tan Choon Hoong
Tiong Chi Sieng
Lek Yew Sen

Chief Executive Officer
 Chief Financial Officer
 Senior Vice President, HDD Operations

AUDIT COMMITTEE

Basil Chan (*Chairman*)
 Lew Syn Pau
 Teo Ho Pin
 Jen Kwong Hwa

NOMINATION COMMITTEE

Teo Ho Pin (*Chairman*)
 Lew Syn Pau
 Basil Chan
 Jen Kwong Hwa
 Wong Yi Jia

REMUNERATION COMMITTEE

Jen Kwong Hwa (*Chairman*)
 Lew Syn Pau
 Basil Chan
 Teo Ho Pin
 Wong Yi Jia

REGISTERED OFFICE

202 Kallang Bahru
 #07-01 Spaze
 Singapore 339339
 Tel: (65) 6236 0088
 Email: ir@bigl.com.sg
 Website: www.bw-grp.com

JOINT COMPANY SECRETARIES

Ho Yu Han, Genevieve
 Chan Wan Mei

AUDITORS

RSM SG Assurance LLP
(formerly known as RSM Chio Lim LLP)
 8 Wilkie Road
 #03-08 Wilkie Edge
 Singapore 228095
 Tel: (65) 6533 7600

Audit Partner-in-charge:
 Chua Ling Ling
(appointed with effect from the reporting year ended 31 December 2023)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
 1 Harbourfront Avenue
 #14-07 Keppel Bay Tower
 Singapore 098632
 Tel: (65) 6536 5355

CORPORATE GOVERNANCE REPORT

Broadway Industrial Group Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) are committed to upholding high standards of corporate governance, business integrity and professionalism in all activities undertaken by the Group. The Board of Directors of the Company (the “**Board**”) has established, as far as practicable, various self-regulating and monitoring mechanisms for the Group to ensure that effective corporate governance is practised in line with the Code of Corporate Governance 2018 (the “**Code**”) and relevant rules in the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

This report outlines the Group’s corporate governance practices for the financial year ended 31 December 2023 (“**FY2023**”) with specific references to the Code. Other than the deviations explained below, the Group has complied with the principles and provisions of the Code. There are other sections in the Annual Report that are relevant to the discussion of corporate governance, hence this report should be read together with those sections.

BOARD MATTERS

The Board’s Conduct of its Affairs

Principle 1

The Company is headed by an effective Board which is collectively responsible and works with management (the “**Management**”) for the long-term success of the Company.

Provision 1.1 Board’s Role

The primary role of the Board is to provide entrepreneurial leadership, set the Group’s strategic plans and objectives, consider sustainability issues as part of its long-term strategy formulation, identify principal risks of the Group’s businesses, ensure the implementation of appropriate internal controls and risk management systems to manage these risks, and review the financial performance of the Group.

The Board identifies key stakeholder groups such as shareholders, lenders, suppliers, customers, Management and employees and recognises that their perceptions may affect the Group’s reputation. The Board puts in place a Code of Conduct and a Declaration of Interests Policy. The Code of Conduct (which is available on the Company’s website) applies to all employees of the Group and outlines the Company’s expectations and commitment to ensuring that its affairs are conducted in accordance with the highest standard of business conduct and integrity and in compliance with the law. The code also strictly prohibits employees from accepting gifts or any form of bribery. Where there is any suspected or actual violation of the code, it should be immediately reported and will be investigated. Similarly, the Declaration of Interests Policy applies to all employees of the Group and aims to provide guidance to employees the circumstances which may constitute a conflict of interest and how to avoid and handle such conflicts. Employees are required to declare their interests upon hiring, as and when required, and on an annual basis. All employees have completed the declaration of interests for FY2023. The Company conducts refresher training from time to time to ensure that employees understand and comply with the Group’s policies.

The Board also sets appropriate tone-from-the-top and desired organisational culture, supervises the management of the businesses and affairs of the Group, holds the Management accountable for the Group’s performance, puts in place internal policies to ensure that there is transparency and accountability within the Group and regularly reviews these policies. Overall, the Board oversees the conduct of the Group’s affairs and supervises the Management’s achievement of performance targets.

All Directors objectively discharge their duties and responsibilities as fiduciaries and act honestly with due care and diligence in the best interests of the Group. When faced with conflicts of interest, the Directors and other officers of the Group recuse themselves from discussions and decisions involving the issues of conflict in line with the Company’s Conflicts of Interest Policy. The policy sets out the applicable guidelines when dealing with instances of potential or actual conflicts of interest to protect the interests of the Group, such as a duty to disclose any personal, professional or business interests that may interfere or have the potential of interfering with that of the Group’s and avoid competing interests. The policy also sets out non-exhaustive situations in which there may be a conflict of interests. Where papers contain sensitive information for which an officer has any interest, due care will be exercised to ensure that only the relevant officers receive these papers. Any suspected violation of the policy is reported promptly to the Chairman of the Board or the Lead Independent Director and investigated by the Audit Committee or other designated function. Appropriate action will be taken in the event that a violation has occurred. No suspected violation of the policy was reported in FY2023.

CORPORATE GOVERNANCE REPORT

Provision 1.2 Directors' Duties and Responsibilities

All Directors understand the Group's business as well as their directorship duties and roles. They are provided with opportunities and training to understand the Group's businesses and their directorship duties.

When new Directors are appointed to the Board, they are provided with a formal letter setting out their duties, obligations and responsibilities and a board manual containing key information about the Group, corporate documents such as Constitution, terms of reference and key policies, as well as a summary of the ongoing matters to keep them up to speed. In addition, newly appointed Directors attend comprehensive orientation programmes where they are briefed by the Chairman and the Management on the Group's policies, processes, business activities, strategic direction and regulatory environment in which the Group operates. This provides the new Directors an understanding of the Group's businesses to enable them to assimilate into their new role, and to get acquainted with the Management, thereby facilitating Board interaction and independent access to the Management. Directors are provided with updated documents from time to time or upon request.

Where a new Director appointed to the Board has no prior experience as a director of a listed company, the Company will arrange for the new Director to attend mandatory training required under the Listing Rules of the SGX-ST. On an ongoing basis, Directors and Management are updated on new laws that may affect the Group's businesses as well as changes in regulatory requirements and financial reporting standards. They are encouraged to undergo relevant training, at the Company's expense, to enhance their skills and knowledge, particularly on new laws and regulations affecting the Group's operations and governance practices. They also regularly receive details of relevant seminars and events conducted by third party institutions such as the Singapore Institute of Directors, and new releases, articles and analyst reports which are relevant to the Group's businesses. These ensure that the Directors are kept abreast on matters that may affect and/or enhance their performance as Directors.

To aid the Nomination Committee in its review and recommendation of training and professional development programmes to the Board, the Company has a framework for identifying and monitoring training and seeking approval. The in-house Company Secretary maintains a register of training attended by the Directors and the Management. All the Directors and the Management had completed the mandatory sustainability training in FY2022. During FY2023, all the Directors and Management had received relevant training including the Audit and Risk Committee Seminar 2023 and the Launch of the Singapore Directorship Report 2023, and updates on regulatory and reporting requirements such as corporate governance, financial reporting, sustainability reporting and changes in regulations. The auditors also briefed the Directors and Management on developments in accounting and governance standards. In addition, the Management always provides updates and reports to the Board on industry developments and trends as well as business outlook.

Directors are also regularly introduced to the local management teams and invited to tour the Group's manufacturing facilities. The Directors visited the Group's new manufacturing facilities in Vietnam, accompanied by the Management, in late 2023. During the board trip, the Directors toured the factories which were built from ground zero within a short span of time and saw operations in production. They also had the opportunity to get to know the local management and employees.

Provision 1.3 Matters Requiring Board Approval

The Company has implemented internal guidelines governing matters that require the Board's approval which have been clearly communicated to the Management in writing. The Board approves transactions which exceed certain threshold limits, while delegating authority for transactions below the prescribed limits to the Board Committees, namely the Audit Committee ("AC"), Remuneration Committee ("RC") and Nomination Committee ("NC"), and the Management.

The Corporate Approval Matrix of the Group, which sets out the threshold limits and the requisite approvals for various matters and transactions, is reviewed on a regular basis by the Board and clearly communicated to the Management in writing. During FY2023, the matrix was reviewed to ensure that it remains relevant and that it is applicable to the Company's new precision engineering business with tighter but reasonable controls where necessary. Matters which are specifically referred to the Board for approval include appointments and remuneration of new directors and key management, material acquisitions and disposals of assets, corporate or financial restructuring, banking facilities and provision of securities, significant capital expenditures, conflicts of interest, joint venture arrangements, share issuances, interim dividends, annual budget, financial results and sustainability reporting. These are in turn communicated to the subsidiaries to ensure due reporting to the Management and the Board.

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Provision 1.4

Delegation of Authority to Board Committees

The Board is supported by the Board Committees that have been established to assist in the execution of its responsibilities. Each of the Board Committees operates under delegated authority from the Board, with the Board retaining oversight and ultimate responsibility, and has its own written terms of reference setting out its composition, authorities and duties. The Board regularly reviews the terms of reference for continued relevance and ensures that the Board and each of the Board Committees are guided by and comply with the terms of reference in discharging their responsibilities. Any change to the terms of reference for the Board and Board Committees must be approved by the Board.

The Board Committees are authorised by the Board to investigate any matter within their respective terms of reference and have full access to, and cooperation of the Management. The Board Committees have full discretion to invite any Director, Management or adviser to attend their meetings and are provided with adequate resources, at the Company's expense, to enable them to discharge their duties properly. The Board Committees report back to the Board. Through the respective Chairmen, the Board Committees provide regular updates of their activities to the Board. All resolutions, minutes of meetings and materials of the Board Committees are also provided to the Board.

Information on the Board Committees including their authorities and a summary of their activities is set out further in this report.

Provision 1.5

Attendance at Board and Board Committee Meetings

The Board meets at least once quarterly. The schedule of Board and Board Committee meetings, as well as the Annual General Meeting ("AGM"), for each calendar year is set and issued to Directors and relevant invitees well in advance. The Board also meets regularly for strategic discussions and convenes ad hoc meetings when there are matters which require the Board's decision.

Notwithstanding those with multiple board representations, all Directors attend and actively participate in the Board and Board Committee meetings and general meetings and ensure that sufficient time and attention is given to the affairs of the Company. The number of Board and Board Committee meetings as well as general meetings held in FY2023 and the attendance of Directors and Management during these meetings are tabled as follows:

Meetings	Board Meetings	AC Meetings	NC Meetings	RC Meetings	General Meetings
Number of Meetings held	5	4	2	4	1
Directors					
Lew Syn Pau	5	4	2	4	1
Basil Chan	5	4	2	4	1
Teo Ho Pin	5	4	2	4	1
Jen Kwong Hwa	5	4	2	4	1
Wong Yi Jia	5	4*	2	4	1
Management					
Tan Choon Hoong	5*	4*	2*	4*	1*
Tiong Chi Sieng	5*	4*	2*	4*	1*

Note:

* By invitation

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During FY2023, the Directors, Management and Company Secretaries attended the Board and Board Committee meetings and the AGM. Key matters discussed at these meetings include business plans, financial results, annual budget, operational developments and trends, as well as risks and strategies. There were also ad hoc discussions by the Directors to discuss the Company's matters outside formal Board and Board Committee meetings.

The Company's Constitution permits Board and Board Committee meetings to be held by way of telephone or video conference or any other electronic means of communication by which all persons participating in the meeting are able, contemporaneously, to hear and be heard by all other participants. All Directors receive the relevant Board and Board Committee meeting papers even if they may not be able to attend the meeting. Besides meetings where the minutes are circulated to members for review and confirmation, the Board and Board Committees also approve matters through written resolutions.

Provision 1.6 Access to Information

The Board, together with the Management, fully appreciates the engagement in open and constructive debates. The Board challenges the Management on its proposals and assumptions, raises issues and seeks clarification as and when necessary. The Board is furnished with relevant information and analysis concerning the Group by the Management, including regular reports on the Group's financial and operational performance. In addition to copies of disclosure documents, budgets, forecasts and internal financial statements, such reports include board papers, related material and background or explanatory information relating to matters to be brought before the Board. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board.

The Directors are provided with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions and discharge their duties and responsibilities. The Board and Board Committee papers are generally circulated to the Directors prior to the meeting to provide them with sufficient time to obtain further explanations, where necessary, in order to prepare for and participate effectively during the meeting. Sensitive matters may be tabled at the meeting itself or discussed without papers being circulated or tabled. The Directors also have full access to the Group's records and information, and are promptly provided with additional information as needed for them to make informed decisions and discharge their duties and responsibilities.

Provision 1.7 Access to Management, Company Secretary and External Advisers

The Board has separate and independent access to the Management and the Company Secretaries at all times through telephone, email and face-to-face meetings.

The appointment and removal of the Company Secretaries is a decision of the Board as a whole. The Company Secretaries are responsible for, inter alia, ensuring that Board procedures are observed and that the relevant rules are complied with. The Company Secretaries assist the Chairmen of the Board and Board Committees in the development of the agendas of meetings, attend all such meetings and prepare papers and minutes of the meetings. The Company Secretaries also assist the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholders' value. As supported by the Company Secretaries, the Board regularly reviews the Company's corporate governance practices taking into consideration, inter alia, its results on the Singapore Governance and Transparency Index, and enhances its current practices in the best interest of the Company and its shareholders.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors. The Board and the Management seek independent professional advice from time to time to ensure that the Company complies with the laws and regulations, including the Listing Manual of the SGX-ST.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provisions 2.1, 2.2 and 2.3

Board Composition

The Board currently comprises five Directors, of whom three are Independent Directors and two are Non-Independent Non-Executive Directors. The composition of the Board and Board Committees is tabled as follows:

Name of Director	Date of Appointment	Board	AC	NC	RC
Lew Syn Pau	02/11/2011	Non-Independent Non-Executive Chairman	Member	Member	Member
Basil Chan	01/12/2019	Lead Independent Director	Chairman	Member	Member
Teo Ho Pin	17/05/2021	Independent Director	Member	Chairman	Member
Jen Kwong Hwa	20/12/2021	Independent Director	Member	Member	Chairman
Wong Yi Jia	30/03/2015	Non-Independent Non-Executive Director	–	Member	Member

Currently the Independent Directors make up a majority of the Board where the Chairman is not independent, and all Directors are non-executive.

The independence of each Director is assessed and reviewed annually by the NC in accordance with the criteria under the Code and the Listing Manual of the SGX-ST. In its deliberation as to each Director's independence, the NC takes into account examples of relationships in the Code and considers whether a Director has business relationships with the Group, its substantial shareholders or its officers and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the interest of the Group. All Independent Directors also complete a confirmation of independence form annually based on the Code.

The Board recognises that Independent Directors may over time develop significant insights in the Group's businesses and operations and can continue to provide noteworthy and valuable contributions objectively to the Board as a whole. The Board is of the view that the independence of the Independent Directors must be based on the substance of their professionalism, integrity, and objectivity and not merely based on form such as the number of years which they have served on the Board.

The NC is of the view and the Board concurs that all the 3 Independent Directors, namely Mr Chan, Dr Teo and Mr Jen are independent for FY2023, with Directors abstaining from voting on their respective independence. The NC and the Board are satisfied that all Directors have demonstrated independent mindedness and conduct in the best interest of the Group and there is a strong and independent element on the Board, enhancing its capability to exercise objective judgment on corporate affairs of the Group.

Provision 2.4

Board Diversity

The Board has implemented a Board Diversity Policy setting out the framework and objectives for promoting diversity which includes the use of key considerations (such as skills, experiences, gender, age and other distinguishing qualities of the Board members) for evaluation of new Board candidates and succession planning. The Board Diversity Policy seeks to endorse the inclusion of diversity and facilitate the exchange of different perspectives and insights. It also allows the Company to source for a diversity of talents to have an appropriate mix on the Board. The Company believes that a diverse Board enhances the decision-making of the Board and reflects a range of viewpoints which increases the quality of the Company's performance and supports the attainment of its strategic objectives in the best interest of its stakeholders.

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The NC is guided by the key considerations and skills matrix in the Board Diversity Policy. The skills matrix categorises the skills, knowledge and professional experience of the present Directors into key areas such as accounting and finance, business management, corporate governance, executive leadership, industry specific knowledge and legal/regulatory. The NC reviews the Board succession plans, Board composition and Directors' areas of expertise, and makes recommendations to the Board on the appointment and re-appointment of Directors in line with the Board Diversity Policy. After identifying the required skills set which are relevant to the needs of the Company and the requirements of the Board and Board Committees, the NC then sources and considers suitable candidates who are able to provide various aspects of diversity, having due regard to the overall balance and effectiveness of the Board.

As part of the Company's commitment to transparency and accountability, the NC and the Board assess the progress towards achieving diversity target set forth in the Board Diversity Policy on an annual basis and are satisfied that the current structure, size, balance and diversity of the Board are appropriate to facilitate effective decision-making. The Company has made significant strides in meeting these targets within the specified timeline. Currently, the Board which comprises 4 male Directors and 1 female Director has a broad range of expertise and experience in areas such as accounting, finance, law, business and risk management, strategic planning and relevant industry-specific knowledge in technology, manufacturing, building management and start-up companies. The Board consists of Directors with ages ranging from 40s to 70s, who have served on the Board for different tenures. Each Director is appointed on the strength of his/her professional qualification and knowledge and contributes a valuable range of expertise and experience to the development of the Group's strategy. Accordingly, the NC and the Board are of the view that there is diversity which serves as sufficient measures to avoid groupthink, foster constructive debate and govern the Group effectively. The profile of each Director, including details of their academic and professional qualifications, date of first appointment and date of last re-appointment, is set out in the "Board of Directors & Management" section of the Annual Report.

The Board recognises the intrinsic value that diversity brings to the Company. The combination of skills, talents, experiences and diversity among the Directors serves as a cornerstone of the Company's corporate governance framework. A diverse board, including individuals from varied age groups, not only ensures comprehensive risk oversight and strategic guidance but also fosters innovation and adaptability in an evolving business environment. Having Directors from different generations enables the Board to effectively navigate complex challenges, capitalise on emerging opportunities, and drive sustainable growth.

Furthermore, in recognition of the importance and value of gender diversity, the Board has set the following diversity targets and will ensure that these targets are considered in its review of succession planning and renewal:

- The Company must have at least 1 female Director on the Board. The Board currently has a female Director, a goal that is currently met.
- Where external search is used for new board appointments, the brief must include a requirement to present female candidates.

The NC and the Board remain committed to implementing and reviewing the Board Diversity Policy to ensure its effectiveness. They will disclose any changes to the policy, including objectives, and progress, as and when appropriate. This reaffirms the Board's dedication to fostering a diverse and inclusive corporate governance framework.

Provision 2.5

Regular Meetings of Non-Executive Directors and/or Independent Directors

The Independent Directors, led by the Lead Independent Director, meet amongst themselves at least once a year without the presence of the Non-Independent Directors and the Management. The feedback and views are communicated to the Board, Chairman or Management as appropriate. During FY2023, the Independent Directors had met amongst themselves without the presence of the Non-Independent Directors and the Management.

Chairman and Chief Executive Officer

Principle 3

There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.

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Provisions 3.1 and 3.2

Separation of Role of Chairman and Chief Executive Officer

To maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, the roles and responsibilities between the Chairman and the Chief Executive Officer (“CEO”), as set out in writing, are held by separate individuals who are not immediate family members. The separation of the roles of the Chairman and the CEO ensures that there is a healthy professional relationship between the Board and the Management and facilitates effective deliberations on the business activities of the Group.

The Non-Executive Chairman, Mr Lew Syn Pau, leads the Board and manages its workings and proceedings. He plays a crucial role in fostering constructive dialogue with shareholders at the Company’s general meetings, as well as between the Board and the Management. In addition, he provides oversight, guidance and leadership to the Management. The CEO, Mr Tan Choon Hoong, heads the management of the Group and oversees the execution of the Group’s corporate and business strategies and policies, and the conduct of its businesses, as approved by the Board.

Accordingly, the Board is satisfied that there is sufficient transparency and accountability in new of the distinction of responsibilities.

Provision 3.3

Lead Independent Director

Mr Basil Chan is the Lead Independent Director of the Company. He co-ordinates and leads the Independent Directors, provides non-executive perspectives and contributes well balanced viewpoints. He meets with the other Independent Directors to discuss on matters concerning the Group, where necessary, and provides feedback to the Board, Chairman or Management as appropriate. Mr Chan also provides leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. He is available to shareholders when they have any concerns relating to matters when contact through the normal channels to the Chairman has failed to resolve, or where such contact is inappropriate or inadequate.

Board Membership

Principle 4

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2

Nomination Committee

The NC comprises the following members, the majority of whom (including the Chairman) are Independent Directors:

Teo Ho Pin (*Chairman*)
Lew Syn Pau
Basil Chan
Jen Kwong Hwa
Wong Yi Jia

Mr Chan, the Lead Independent Director of the Company, is a member of the NC.

The NC is regulated by a set of written terms of reference setting out its duties and responsibilities. The key functions of the NC are as follows:

- (a) to review the structure, size, balance and diversity of the Board;
- (b) to make recommendations to the Board on all Board appointments, re-appointments and re-nominations;
- (c) to assess the independence of the Directors;

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- (d) to decide whether Directors with multiple board representations and principal commitments are able to and have been adequately carrying out their duties as Directors;
- (e) to evaluate the performance and effectiveness of the Board, Board Committees and individual Directors;
- (f) to review succession plans for the Directors, Chairman, CEO and key management personnel (“KMP”); and
- (g) to review training and professional development programmes for the Board and its Directors.

The NC meets at least twice annually to review and discuss, inter alia, succession plans as well as resources to support the Directors in carrying out their duties.

Provision 4.3

Selection, Appointment and Re-appointment of Directors

The search and nomination process for new Directors is conducted through contacts, recommendations and executive search firms. After identifying the Company’s needs in line with the Board Diversity Policy, the NC sources for candidates and meets with the shortlisted candidates with the appropriate profile to review and assess their suitability and to ensure that the candidates understand the Group’s businesses and expectation of their level of commitment, before nominating the most suitable candidate to the Board for approval. The NC takes into consideration the skills and experiences required to support the Group’s business activities or strategies and the current structure, size, balance and diversity of the Board, as well as the integrity, independence and time commitment of the candidates. The NC strives to ensure that the Board has an appropriate balance of Independent Directors as well as Directors with the right profile of expertise, skills and attributes. The NC ensures that this process is followed for every new appointment of Directors.

New Directors are appointed by the Board by way of written resolutions, after taking into consideration the recommendation of the NC. In accordance with the Company’s Constitution, new Directors are required to submit themselves for re-election at the next AGM of the Company following their appointment. The Constitution also requires one-third of the Directors for the time being to retire by rotation at every AGM. All Directors are subject to retirement at least once every three years and are eligible for re-election at the AGM. As recommended by the NC, the Board had nominated Mr Lew and Dr Teo, being the longest in office, for retirement pursuant to Regulation 94 of the Constitution at the forthcoming AGM. Mr Lew and Dr Teo have agreed to offer themselves for re-election. More information is contained in the Notice of AGM and “Additional Information on Directors seeking Re-election” section of the Annual Report.

The Company regards succession planning for the Board and the Management to be an important part of its governance process. The NC and the Board regularly review the tenure and contributions of the Directors and propose renewal progressively to pace the retirement of Directors as required. The NC and the Board also review the succession planning for the Management, including identifying potential successors, tailoring training programme and providing grooming opportunities. The NC and the Board have reviewed and are of the view that the Board structure, size and tenure are sufficient and adequate. As there was no need to search and recruit new Directors, the Company did not engage any executive search firm in FY2023.

Provision 4.4

Independence of Directors

As disclosed in Principle 2 above, after taking into account the NC’s assessment and Directors’ declaration, the Board is of the view that Mr Chan, Dr Teo and Mr Jen are considered independent, and that no individual or small group of individuals dominates the Board’s decision-making process.

None of the Independent Directors has been on the Board for more than 9 years.

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Provision 4.5 Multiple Directorships

The Company currently does not have any alternate directors. All Directors are aware that they should commit sufficient time, attention, resources and expertise to the affairs of the Group. They declare their board representations and principal commitments to the Company as and when there are changes and on an annual basis.

The NC reviews annually each Director's board representations, principal commitments, and contributions to the Company. As recommended by the NC, the Board agrees that no guidelines on a reasonable and maximum number of board representations and principal commitments are required. Instead, each Director will be assessed on a case-by-case basis. Although some Directors have multiple board representations and principal commitments that are not within the Group, the NC and the Board are satisfied that sufficient time and attention has been given by the Directors to the affairs of the Group, taking into account their attendance at Board and Board Committee meetings, active participation and transparent disclosure of board representations and principal commitments, and are of the view that such multiple board representations and principal commitments do not hinder them from carrying out their duties as Directors of the Company.

Information on the Directors' board representations and principal commitments is set out in "Board of Directors & Management" section of the Annual Report.

Board Performance

Principle 5

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

Provisions 5.1 and 5.2 Assessment of Board Performance

The NC has established evaluation procedures and performance criteria for the assessment of the Board's performance as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board. The NC evaluates such performance on an annual basis. The assessment allows each Director to express his or her personal and confidential evaluation of the Board's overall effectiveness in accomplishing its goals and discharging its responsibilities. It also provides insights into the functioning of the Board, while identifying areas that might need strengthening and development. The NC regularly reviews the evaluation procedures and performance criteria to ensure that the framework remains effective for assessing the overall effectiveness of the Board.

Each Director is required to complete an annual board performance evaluation questionnaire. The areas under evaluation include board structure, board information, internal controls and risk management, board accountability, CEO/Top Management, assessment for Chairman, and self-assessment, over a total of 70 questions. The self-assessment includes attendance, commitment, participation, contributions and disclosure of interests of each Director. Directors are encouraged to include written comments throughout the questionnaire and suggestions for improving the Board process. Directors abstain from voting on questions relating to them. The NC evaluates the responses and provides its comments and recommendations to the Board on any changes that would help the Board discharge its duties more effectively. The Board then considers and deliberates further on the NC's recommendations and ensures that the proposed action plans are implemented. The Board's performance evaluation process is conducted by the in-house Company Secretary. No external facilitator was engaged for the Board's performance evaluation for FY2023.

Based on the results of the questionnaire, the NC and the Board note that board performance has been improving over the years and are satisfied as to the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board. The NC and the Board will continue to review, on an ongoing basis, and recommend appropriate changes if deemed appropriate.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Procedures for Development of Remuneration Policies

Principle 6

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and KMP. No Director is involved in deciding his or her own remuneration.

Provisions 6.1, 6.2 and 6.3

Remuneration Committee

The RC comprises the following members, a majority of whom (including the Chairman) are Independent Directors:

Jen Kwong Hwa *(Chairman)*
Lew Syn Pau
Basil Chan
Teo Ho Pin
Wong Yi Jia

All members of the RC are Non-Executive Directors.

The RC has adopted written terms of reference setting out its duties and responsibilities. The RC's primary function is in attracting, retaining and rewarding well-qualified persons to serve the Group by pegging remuneration and benefits at competitive market rates. The RC reviews and makes recommendations to the Board on the framework of remuneration for the Board and KMP and the specific remuneration packages for each Director and KMP to ensure they are at sufficiently competitive levels. The RC considers all aspects of remuneration, which includes Directors' fees, salaries, allowances, bonuses and benefits-in-kind, and termination terms to ensure they are fair.

Provision 6.4

Remuneration Consultants

Where required, the RC may from time to time seek independent professional advice on the Directors' remuneration and executive compensation at the Company's expense. In FY2022, the RC engaged Willis Towers Watson Consulting (Singapore) Pte. Ltd. to conduct top management compensation benchmarking and detailed STI and LTI design and calibration of incentive target setting with a more structured remuneration package that provides better linkage to rewards to both corporate and individual performance. The engagement also includes the redesign of bonus funding approach for all the employees. The overarching objective is to review and redesign current compensation structures to ensure that they are robust and aligned with the business needs, market practices and the Management's interest with that of shareholders. The new plans were recommended and approved by the RC and the Board respectively. The RC and the Board will decide on the implementation of the new plans when all the objectives are met.

Level and Mix of Remuneration

Principle 7

The level and structure of remuneration of the Board and KMP are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1, 7.2 and 7.3

Disclosure on Remuneration of Directors and Key Management Personnel

No Director decides his or her own remuneration. Directors abstain in resolutions approving their specific remuneration packages. The RC is mindful that the remuneration for Directors should not be excessive so as to compromise or reasonably be perceived to compromise their independence. The RC reviews the fee structure on an annual basis and recommends payment of Directors' fees to the Board for endorsement. Directors' fees are then tabled at the Company's AGM and paid quarterly in arrears only after approval by shareholders. The RC and the Board are of the view that the fee structure is aligned with comparable companies in the market.

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Non-Executive Directors do not have service agreements with the Company. Their terms in office are specified in the Constitution. Each of the Non-Executive Directors receives a base Director's fee and additional fees in respect of each Board Committee that they serve on, with the Chairman of each of the Board Committees and the members of the AC receiving a higher fee in respect of their service on the respective Board Committees. The Lead Independent Director also receives a fee for his additional facilitative role within the Board.

When reviewing the structure and level of Directors' fees, the RC ensures that it is fair and appropriate to the level of the Non-Executive Directors' contributions to the Group. The RC and the Board are of the view that the remuneration of the Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as their effort and time spent, their roles and responsibilities, and that the specific remuneration package for each Director does not compromise his or her independence.

The Company does not prohibit or require the Directors to acquire its shares. However, the Directors are encouraged to align their interests with that of the shareholders but are advised to acquire shares of the Company with due care and within a limit that does not compromise their independence.

The RC reviews the annual increments and variable bonuses to be granted to the KMP and related employee(s). The RC also reviews the Group's obligations arising in the event of termination of the KMP to ensure that the contract of services contains fair and reasonable termination clauses which are not overly generous. Each of the KMP has an employment contract with the Group which can be terminated by either party by giving notice of resignation or termination. Each employment is on a long-term basis and there are no onerous removal clauses in the employment contract. During FY2023, there was no termination, retirement or post-employment benefits granted to any Director or KMP.

The Company has a detailed framework and process for linking and allocating increment and bonus pool to return on equity and profits and for incorporating short-term and long-term incentives. The compensation packages for the KMP comprise a fixed basic salary and allowances as well as a variable annual bonus. The RC evaluates the performance of the KMP and reviews the remuneration of the KMP to ensure that it is commensurate with their individual performance and that of the Group. This is to link rewards to corporate and individual performance to promote the long-term growth and performance of the Group and to create enterprise value for the shareholders. Short-term incentives comprise an annual variable bonus which is determined by the achievement of corporate goals, subject to organisational and functional performance. The RC reviews and the Board approves the increment and bonus pool for distribution. Save for the remuneration of the KMP, the Management reviews and awards increments and bonuses to employees based on their individual performance and contributions. During FY2023, as recommended by the RC and approved by the Board (with Independent Directors abstaining from their own grants), the Company granted options pursuant to the BIGL Share Option Scheme 2022 (the "**2022 Scheme**") to the Independent Directors and key employees. The vesting period for the options is 3 years.

Following the review of the remuneration framework and specific remuneration packages, the RC and the Board are satisfied that the remuneration of the Board and KMP is aligned with the interests of the Company and its shareholders and is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and the KMP to successfully manage the Company.

Disclosure on Remuneration

Principle 8

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

Disclosure of Remuneration of Directors and Key Management Personnel

The RC and the Board are of the view that full disclosure on remuneration of the Directors and KMP (including the CEO) will not benefit the Company, as remuneration matters are highly sensitive and confidential. This is especially so for the remuneration of the KMP, due to the competitive industry and human resource environment in which the Group operates in. However, in compliance with Rule 1207(10D) of the SGX-ST's Listing Manual, which will take effect for annual report prepared for the financial year ending on or after 31 December 2024 ("**FY2024**"), the Company will include disclosure of the remuneration paid to individual Directors and the CEO by the Company and its subsidiaries in its annual report for FY2024.

CORPORATE GOVERNANCE REPORT

A breakdown showing the level and mix of each individual Director's fees and the remuneration of the CEO and top 5 executives in percentage terms is as follows:

	Designation	Fee %	Salary ⁽¹⁾ %	Bonus ⁽¹⁾ %	Allowance ⁽²⁾ %	Total %
Name of Director						
≤ S\$250,000						
Lew Syn Pau	Non-Independent Non-Executive Chairman	100	–	–	–	100
Basil Chan	Lead Independent Director	100	–	–	–	100
Teo Ho Pin	Independent Director	100	–	–	–	100
Jen Kwong Hwa	Independent Director	100	–	–	–	100
Wong Yi Jia	Non-Independent Non-Executive Director	100	–	–	–	100
Name of CEO & Top 5 Executives⁽³⁾						
≥ S\$500,001 – S\$750,000						
Tan Choon Hoong	Chief Executive Officer	–	84.70	10.82	4.48	100
≥ S\$250,001 – S\$500,000						
Tiong Chi Sieng	Chief Financial Officer	–	82.97	10.63	6.40	100
Lek Yew Sen	Senior Vice President, HDD Operations	–	82.10	10.30	7.60	100
Leow Yong Kim	General Manager, Precision Engineering	–	76.23	10.96	12.81	100
≤ S\$250,000						
Khoo Cheng Hoe Richard	Senior Director, Business Development	–	73.40	9.79	16.81	100
Chua Cheng Kok ⁽⁴⁾	General Manager, Machining	–	77.97	10.79	11.24	100

Notes:

- (1) Included provident fund contribution by employer.
- (2) Comprised overseas living, housing and transport allowances, where applicable.
- (3) The Company has identified only 3 KMP for FY2023 in line with the definition in the Code, namely Messrs Tan Choon Hoong, Tiong Chi Sieng and Lek Yew Sen. For enhanced disclosure, the Company has included the remuneration of the CEO and top 5 executives for FY2023.
- (4) Mr Chua joined the Group in April 2023.

The total amount of Directors' fees for FY2024, as recommended by the RC and the Board for approval by the shareholders at the coming AGM of the Company, is S\$465,000 (FY2023: S\$465,000). This recommendation will be tabled to shareholders for approval at the upcoming AGM of the Company where shareholders are given the opportunity to approve Directors' remuneration.

The total amount of remuneration paid to the CEO and top 5 executives for FY2023 is S\$2,141,000 (in the nearest thousand).

Provision 8.2

Disclosure of Remuneration of Employees who are Substantial Shareholders or Immediate Family Members of a Director or the CEO

Ms Wong Yi Ning, the sister of Ms Wong Yi Jia, a Non-Executive Director of the Company and the daughter of Mdm Lau Leok Yee, a substantial shareholder of the Company, is employed by the Group as Senior Manager, Financial Planning & Analysis. The total remuneration paid to Ms Wong Yi Ning in 2023 was within the band of S\$100,001 to S\$150,000.

Provision 8.3

Employee Share Schemes

On 28 February 2022, the shareholders approved the 2022 Scheme and the BIGL Share Plan 2022 (the "2022 Plan"). The key objectives of the 2022 Scheme and the 2022 Plan are to serve as an additional motivational tool to recruit potential employees and retain key employees and to strengthen the Company's competitiveness in attracting talent as well as to instill loyalty, and a stronger identification by the participants with the long-term prosperity of, the Group and its associated companies.

The 2022 Scheme and the 2022 Plan of the Company are administered by the RC. More information of the 2022 Scheme and the 2022 Plan is disclosed in the Statement by Directors.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9

The Board is responsible for the governance of risk and ensures that the Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1

Management of Significant Risks

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy, effectiveness and integrity of those systems on an annual basis. The Management performs the internal control and risk management functions and reports to the AC for review. Through the AC, the Board ensures that the Management maintains a sound system of risk management and internal controls, and discusses with the Management on risks identified by the Management.

The Company has put in place an enterprise risk management framework and internal policies for risk management and internal controls. The Management regularly reviews the Group's business and operational activities to identify areas of significant business risks and appropriate measures to control and mitigate these risks. It allows the Group to address the ongoing risk exposures and the challenges in the environment that it operates and to reduce uncertainties. The Management also reviews all significant control policies and procedures and highlights all significant matters to the AC. The AC reviews the Group's system of internal controls, including financial, operational, compliance and information technology controls, sanctions-related risks and risk management systems, to ensure that such controls are sound and adequate to provide reasonable assurance of the integrity, effectiveness and efficiency of the Group in safeguarding shareholders' interests and the Group's assets.

In performing the statutory audit of the financial statements of the Group, the external auditors perform tests on operating effectiveness of certain accounting controls that are relevant to the audit and that the auditors intend to rely on. The AC reviews the audit processes, internal and external audit plans and any significant issues arising thereon. In addition, the AC reviews the key audit matters highlighted by the external auditors, which have been included in the Independent Auditor's Report, and discusses these matters with the Management. The AC also reviews the findings of the auditors and ensures that the Management follows up on the auditors' recommendations raised, if any, during the audit process. Any material internal control matters noted by the external auditors in the course of their statutory audit are discussed with the AC and the Board.

The main risks arising from the Group's financial operations are liquidity risk, foreign currency risk, credit risk and interest rate risk. The Board reviews and agrees on policies for managing each of these risks. More information on the Group's risks and management of these risks is disclosed under Notes 35A-G to the Financial Statements.

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the Directors to finance the Group's operations and to mitigate the effects of fluctuations in cash flow. To ensure that the Group has adequate overall liquidity to finance its operations and investment requirements, the Group maintains an adequate amount of available banking facilities with several banks.

The Group's main currency exposures are in United States Dollar, Thai Baht and Chinese Renminbi. The Group uses natural hedges of matching assets and liabilities as a hedging tool to manage its exposure to fluctuating foreign currency exchange rates.

As for credit risk, the Group places its cash and cash equivalents with creditworthy institutions. The Group also performs ongoing credit evaluation of its customers' financial conditions.

The Group manages its interest rate risk by maintaining a prudent mix of fixed and floating interest rate borrowings. In managing the interest rate profile, the Group takes into account the interest rate outlook and the expected cash flows generated from its business operations.

Various measures are implemented to manage the Group's operational risks. These include safety and security, internal control procedures and appropriate insurance coverage.

CORPORATE GOVERNANCE REPORT

The AC and the Board have assessed and are of the view that there has been no material change in the Company's risk of being subject to any sanctions law.

Provision 9.2

Board's Comment on Adequacy and Effectiveness of Internal Controls

For FY2023, the Board has received written assurance from the CEO and the Chief Financial Officer ("CFO"):

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and
- (b) that the Group's risk management and internal control systems are effective and adequate.

Based on the Group's internal controls and risk management framework, work performed by the internal and external auditors and reviews performed by the Management and the AC, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls including financial, operational, compliance, and information technology controls, sanctions-related risk, and risk management systems, are adequate and effective for FY2023.

While the system of internal controls includes safeguarding of assets, maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislation, regulations and best practices, identification and containment of financial, business and compliance risks, the Board notes that no system of internal controls can provide absolute assurance against material financial misstatements, poor judgment in decision-making, human error, losses, fraud or other irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and could provide only reasonable and not absolute assurance against misstatement or loss. For FY2023, the AC and the Board have not identified any material weakness in the internal controls and risk management systems of the Group.

Audit Committee

Principle 10

The Board has an AC which discharges its duties objectively.

Provisions 10.1, 10.2 and 10.3

Audit Committee

The AC comprises the following members, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent:

Basil Chan (*Chairman*)
Lew Syn Pau
Teo Ho Pin
Jen Kwong Hwa

The composition of the AC is in compliance with Section 201B of the Companies Act 1967 of Singapore, which prescribes that a majority of the AC must not be Executive Directors of the Company or any of its related corporations. In addition, the AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation. The Board is of the view that besides the AC Chairman who is an accountant, the other AC members have the requisite practical knowledge based on their work experience and corporate roles to discharge their responsibilities. The Board is also of the view that the AC is therefore suitably qualified with accounting, finance as well as industry backgrounds to assist the Board in the areas of internal controls, financial and accounting matters, compliance and risk management, including overseeing the Management in the design, implementation and monitoring of risk management and internal control systems, and is able to perform the AC's role and functions independently.

The AC has the authority to investigate any activity within its written terms of reference, having unrestricted access to information relating to the Group, both internal and external auditors and the Management and employees. The AC also has full discretion to invite any Director or Management to attend its meeting and has adequate resources to enable it to discharge its functions properly.

CORPORATE GOVERNANCE REPORT

The key functions of the AC are as follows:

- (a) reviewing the half-year and full year results announcements and financial statements of the Company and consolidated financial statements of the Group, monitoring their integrity and reviewing significant reporting issues and judgments contained therein, before submission to the Board for approval for the release of the results announcements to the SGX-ST;
- (b) evaluating the adequacy and effectiveness of internal controls and risk management systems, including financial, operational, compliance and information technology controls of the Group;
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (d) recommending to the Board on the proposals to the shareholders on the appointment or re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function, their audit plans and the assistance given by the Management to the auditors;
- (f) approving the hiring, removal, evaluation and compensation of the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- (g) meeting with the internal and external auditors, in each case, without the presence of the Management at least once annually;
- (h) reviewing accounting policies;
- (i) reviewing any interested person transactions; and
- (j) reviewing arrangements by which staff of the Group may in confidence raise concerns about possible improprieties in matters of financial reporting or other matters.

The Company has in place a Whistleblowing Policy which provides the mechanism for which employees of the Group may in confidence and anonymously, raise concerns about possible improprieties in matters of financial reporting or other matters. The Company is committed to ensuring protection of the whistleblower against detrimental or unfair treatment and that shareholders' interests and the assets and reputation of the Group are safeguarded. The AC is responsible for oversight and monitoring of whistleblowing. The policy sets out, inter alia, the principles and the process for reporting an incident as well as examples of reportable incidents. Individuals are encouraged to be confident in raising genuine concerns without fear of reprisal, discrimination or adverse consequences. Genuine concerns on any serious wrongdoing within or by the Group may be raised in writing to the whistleblowing channel (whistleblowing@bigl.com.sg) for the attention of the AC Chairman. All concerns raised will be independently reviewed by the AC and the identity of the whistleblower and all information provided will be kept strictly confidential, except as necessary and appropriate to conduct any relevant investigation. The AC will designate an independent function to investigate genuine whistleblowing reports and report to the Board on such matters at Board meetings or as and when the circumstances warrant. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board will take appropriate action including seeking professional advice where necessary. There was no whistleblowing incident reported in FY2023. The policy is uploaded on the Company's website and is disseminated to employees when they first join and on a regular basis.

The AC is regularly updated and briefed by the Management and the external auditors, Messrs RSM SG Assurance LLP (formerly known as RSM Chio Lim LLP) ("**RSM**"), on any changes to accounting standards and issues which have a direct impact on the financial statements of the Group.

In appointing RSM as the external auditors of the Group, the Board is satisfied that the Group has complied with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST. The AC has assessed the performance of the external auditors based on factors such as the performance and quality of their audit and their independence, and that they have the adequate resources and experience to audit the Group. The AC has also reviewed the aggregate amount of fees paid or payable to the external auditors for FY2023 and the non-audit related services rendered by the external auditors for FY2023, and is satisfied that the independence of the external auditors has not been impaired and compromised. The aggregate amount of fees paid to the external auditors of the Group for FY2023 is disclosed under Note 9 to the Financial Statements.

CORPORATE GOVERNANCE REPORT

In addition, the external auditors have affirmed that the firm and audit team are independent in respect of the audit of the Group in accordance with the Accounting and Corporate Regulatory Authority's Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities together with the ethical requirements that are relevant to the audit. Accordingly, the AC has recommended to the Board, and the Board has concurred, for RSM to be nominated for re-appointment as the external auditors of the Group for FY2024 at the forthcoming AGM.

Provision 10.4 Internal Audit

The Company has engaged Messrs Yang Lee & Associates ("Yang Lee") as the Group's internal auditors for FY2023. The primary objective of the internal audit function is to provide reasonable, independent and objective assurance that the existing system of internal controls is adequate and operating effectively to safeguard shareholders' investments and the Group's assets.

The internal auditors report directly to the AC on internal audit matters. The AC reviews and approves the annual internal audit plan, reports and activities on an ongoing basis. The AC also reviews the results of internal audits and the Management's action in resolving any audit issues reported. The AC is satisfied that the internal audit team from Yang Lee is staffed by suitably qualified and experienced professionals and is independent, effective and adequately resourced to discharge its responsibilities, and that the internal audit function meets the International Standards for the Professional Practice of Internal Auditing and is effective and adequate in meeting the needs of the Group. The internal auditors are a member of The Institute of Internal Auditors Singapore, a professional internal auditing body.

Provision 10.5 Meeting with External and Internal Auditors

The AC meets with the external auditors, and with the internal auditors, in each case without the presence of the Management, at least once a year. Such private meetings enable the AC to obtain feedback on the competency and adequacy of the Group's finance function and inquire if there are any material weaknesses or control deficiencies over the Group's financial reporting process. The meetings also enable the external auditors and internal auditors to highlight to the AC any issues faced during their audits.

During FY2023, the AC had met with the external auditors, and with the internal auditors, in each case without the presence of the Management.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1, 11.2, 11.3, 11.4 and 11.5 General Meetings

General meetings are the principal forum for dialogue with shareholders where they are provided the opportunity to share their views and ask the Directors and the Management questions regarding the Group's business activities and financial performance. As such, shareholders are provided opportunities to ask questions and are strongly encouraged to attend and participate in the Company's general meetings to ensure that they have a better understanding of the Group's plans and developments for the future.

To enable shareholders to participate effectively in and vote at general meetings, the Company ensures that all shareholders receive its annual reports, circulars and notices of general meetings within the mandatory periods prescribed by applicable laws and regulations with adequate, timely and sufficient information, and brief shareholders of the rules governing the general meetings. The Company also ensures that separate resolutions are tabled at general meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled or made inter-conditional on each other, the Company provides clear explanations in the notice of meeting.

CORPORATE GOVERNANCE REPORT

All Directors, Management, external auditors and Company Secretaries attend the AGM. External auditors are present to address shareholders' queries on the conduct of the audit and the preparation and content of their report. The Chairmen of the Board Committees are present to address shareholders' queries relating to the activities of the Board Committees. The Management is also present to respond to operational questions from shareholders.

The Company currently does not implement absentia-voting methods by mail, email or fax, unless and until issues on security and integrity are satisfactorily resolved. The Company allows the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their votes in their stead. Each shareholder who is entitled to attend, speak and vote may vote in person or appoint not more than two proxies. Corporations which provide nominee or custodial services are allowed to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies. The Company resumed its physical AGM in 2023, recognising the importance of providing an opportunity to shareholders to attend and participate more effectively during the AGM. The accessibility to the AGM venue and the date and time of the AGM are taken into consideration to encourage greater attendance and participation from shareholders.

Shareholders are invited to submit their questions in relation to any resolution set out in the notice of AGM to the Company in advance of the AGM. This allows shareholders who are not able to attend the AGM to contribute their feedback and inputs. The Company ensures that it discloses detailed information on key agenda items for the AGM in the notice and addresses all substantial and relevant questions received from shareholders prior to the AGM by publishing the responses to those questions or addressing them at the AGM.

All resolutions at general meetings are put to vote by poll. The Company appoints an independent scrutineer to collect, count and validate the votes at general meetings. Before the conduct of the poll, the scrutineer explains to shareholders the voting and vote tabulation procedures and provides assistance to shareholders during the AGM as and when required. The results of each resolution, with details of percentages in favour and against, as well as detailed information on the vote results, are announced after the meeting via SGXNet and uploaded on the Company's website.

The Company publishes minutes of general meetings on SGXNet and on its corporate website as soon as practicable and in any case within one month after each general meeting. The meetings include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and the Management.

Provision 11.6 Dividend Policy

The Company is committed to rewarding shareholders fairly and sustainably, consistent with its long-term growth prospects. It has formalised a dividend policy which aims to propose about 30% of the Group's annual net attributable profit as dividends, subject to cash requirements for M&A activities and capital expenditure. The final dividend will be subject to shareholders' approval.

In the event that no dividend is declared, balancing, among other things, the Group's capital structure, cash requirements, future plans and general financial condition, and absence of any circumstances which may reduce the amount of reserves available to pay dividends, the Company will disclose the reason(s) in accordance with the Listing Manual of the SGX-ST.

To show our appreciation to shareholders for their support, the Board has recommended the proposed declaration of a final ordinary dividend of 0.5 Singapore cents per share for FY2023 at this coming AGM. Subject to approval at the AGM, the dividend will be paid to shareholders on 10 May 2024.

CORPORATE GOVERNANCE REPORT

Engagement with Shareholders

Principle 12

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provisions 12.1, 12.2 and 12.3

Communication with Shareholders

The Group believes in upholding a strong culture of continuous disclosure and transparent communication with all stakeholders and does not practice selective disclosure. All material and price-sensitive information relating to the Group is released in a timely manner and equally to the general public and shareholders by way of public releases or announcements through SGXNet. Where material information is inadvertently disclosed, the Company will disclose publicly to all others as promptly as possible via SGXNet.

The investor relations function of the Company is managed by an in-house team. The team is guided by the principles and practices as set out in the Investor Relations Policy. The policy aims to facilitate an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with its current and prospective investors. Investors may contact the investor relations team through the Company's general line at +65 6236 0088 or email address at ir@bigl.com.sg. The Company has procedures in place, and the team endeavours to attend to all genuine queries and feedback as soon as practicable.

In line with its commitment to engage and promote communication with shareholders and investors, the Company has, since 2021, engaged a public relations consultancy firm and published press releases and results presentations on a half year and full year basis to provide better understanding of the Group's performance. During FY2023, the Company held two analyst briefings where the Management presented the business overview to investors, analysts and other stakeholders. The Chairman and the Management attended these events and appreciated the interest and valuable feedback from the investment community.

MANAGING STAKEHOLDERS' RELATIONSHIPS

Engagement with Stakeholders

Principle 13

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provisions 13.1, 13.2 and 13.3

Communication with Stakeholders

The Company has arrangements in place to identify and engage with its material stakeholder groups, and uses various medium and channels including its corporate website at www.bw-grp.com and meetings to manage and improve on its relationships with these groups. The Board ensures that the business interests of the Group are aligned with those of its stakeholders for long-term growth. The Board considers and balances the needs and interests of material stakeholders, as part of its overall responsibility to secure the long-term future of the Group.

As part of the Company's sustainability framework that outlines its sustainability efforts, the Company recognises not only its obligations to shareholders but also the interests of its key stakeholders including suppliers, customers and employees who have been identified as those who are impacted by and are able to impact the Group's business and operations. Having identified these stakeholders, the Company understands their concerns and provides the necessary resources to address key areas of focus so as to manage and improve stakeholder relationships. Some of the Company's engagement methods include corporate events and training for employee engagement and general and analyst meetings for engagement with the investment community. For more information, please refer to the Company's Sustainability Report for FY2023 which will be separately published.

CORPORATE GOVERNANCE REPORT

OTHER CORPORATE GOVERNANCE MATTERS

Dealing with Securities

The Company takes a serious stance on inappropriate handling of inside information and failure to comply with laws, regulations and corporate policies and will investigate all genuine concerns or irregularities raised. The Group's Securities Trading Policy complies with the applicable regulations under the Securities and Futures Act 2001 of Singapore and the Listing Manual of the SGX-ST with respect to dealings in securities of the Company. The policy sets out, inter alia, examples of possible inside information, identification of privy persons, situations where trading is prohibited, and obligations to declare all dealings in the Company's securities.

Reminders with a copy of the policy are sent to all Directors and employees to remind them not to trade during prohibited periods. The Company and the Directors and employees of the Group are not allowed to deal in the Company's securities during the period commencing one month before the announcement of its half year and full year results. The Directors and employees are also reminded not to deal in the Company's securities on consideration of a short-term nature or when they are in possession of unpublished material and price-sensitive information. The Directors and employees are expected to observe the insider trading laws at all times when dealing in shares of the Company within permitted trading periods.

Interested Person Transactions

There were no interested person transactions ("IPT") entered with the Group that amounted to more than S\$100,000 in FY2023.

The Company has established a framework and procedures to ensure that all IPTs comply with the Listing Manual of the SGX-ST and are reported timely to the AC (if any). The Group's IPT policy sets out, inter alia, the relevant definitions and the review, approval and disclosure requirements under the Listing Manual of the SGX-ST, to ensure that any IPT between an entity at risk and an interested person is carried out fairly on normal commercial terms and on arm's length basis and is not prejudicial to the interests of the Company and its minority shareholders. The Company maintains a list of entities at risk and interested persons, tracks IPT, monitors the review, approval and disclosure requirements and reports the list of IPT, if any, to the AC on a quarterly basis. The AC is responsible for oversight and monitoring of IPT. The AC reviews all recorded IPT and the basis of such transactions to ensure the adequacy of the Company's internal controls.

Material Contracts

There were no material contracts of the Group involving the interests of the Directors, CEO or controlling shareholders, which are either still subsisting at the end of FY2023 or, if not then subsisting, were entered into since the end of the previous financial year.

STATEMENT BY DIRECTORS

The directors are pleased to present the accompanying consolidated financial statements of Broadway Industrial Group Limited (the "company") and its subsidiaries (collectively the "group") and the statement of financial position and statement of changes in equity of the company and of the group for the reporting year ended 31 December 2023.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Lew Syn Pau
 Basil Chan
 Wong Yi Jia
 Teo Ho Pin
 Jen Kwong Hwa

3. Director's interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors' interests in shares in or debentures kept by the company under section 164 of the Companies Act 1967 ("the Act") except as follows:

Name of directors and companies in which interests are held	Direct interests		Deemed interests	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
The company:				
			Number of ordinary shares of no par value	
Lew Syn Pau	44,572,639	44,572,639	–	1,402,600
Basil Chan	150,000	150,000	–	–
Teo Ho Pin	265,100	265,100	–	–

By virtue of section 7 of the Act, Lew Syn Pau is deemed to have an interest in all the related body corporate of the company.

The directors' interests as at 21 January 2024 were the same as those at the end of the reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate except as disclosed under the "Share Plan" and "Share Option Scheme" in this statement below.

STATEMENT BY DIRECTORS

5. BIGL Share Plan and BIGL Share Option Scheme 2022

The BIGL Share Plan 2022 and the BIGL Share Option Scheme 2022 of the company were approved and adopted by its shareholders at an Extraordinary General Meeting (“EGM”) held on 28 February 2022. The 2022 Plan and Scheme are administered by the Remuneration Committee of the company and shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date of the 2022 EGM.

BIGL Share Plan 2022 (the “Plan”)

The Plan is intended to reward, retain and motivate participants whose contributions are essential to the long-term success and development of the group and who excelled in their performance and encourages dedication, loyalty and higher standards of performance.

Employees of the group including non-executive directors of the company are eligible to participate in the Plan subject to the absolute discretion of the Remuneration Committee. Controlling shareholders and their associates are not eligible to participate in the Plan.

Awards were released to participants as fully paid shares upon expiry of the prescribed vesting periods or retention periods and subject to conditions prescribed in the Plan.

There were no issued shares of the company under the Plan as at the reporting year ended 31 December 2023.

BIGL Share Option Scheme 2022 (the “Scheme”)

Under the Scheme, participants are required to pay a subscription price for the exercise of the options. The group’s employees including non-executive directors of the company are eligible to participate in the 2022 Scheme at the absolute discretion of the Remuneration Committee. Controlling shareholders and their associates are not eligible to participate in the 2022 Scheme.

The eligible participants may be granted either a market price option or an incentive option. A market price option shall be at a price (the “Market Price”) equal to the average of the last dealt prices for a share, as determined by reference to the daily official list made available by the SGX-ST, for the 5 market days immediately preceding the offer date of that option, rounded up to the nearest whole cent. A market price option is exercisable during a period commencing after the first anniversary of the offer date and expiring on the 5th or 10th anniversary of such offer date. An incentive option shall be determined by the Remuneration Committee at its absolute discretion, and fixed by the Remuneration Committee at a price which is set at a discount to the market price, provided that, the maximum discount shall not exceed 20% of the Market Price. An incentive option is exercisable during a period commencing after the second anniversary of the offer date and expiring on the 5th or 10th anniversary of such offer date.

The aggregate number of shares available under the 2022 Plan and Scheme shall not exceed 15% of the company’s total issued shares (excluding treasury shares).

At the end of the reporting year, details of the options granted under the Scheme on the unissued ordinary shares of the company are as follows:

Date of grant	Exercise price per share	Options outstanding as at 1 January 2023	Options granted in 2023	Options outstanding as at 31 December 2023	Number of option holders as at 31 December 2023	Exercise period
	\$					
^(a) 5 May 2023	0.09	–	600,000	600,000	3	05/05/2024 to 04/05/2028
^(b) 5 May 2023	0.09	–	2,250,000	2,250,000	4	05/05/2024 to 04/05/2033

STATEMENT BY
DIRECTORS5. **BIGL Share Plan and BIGL Share Option Scheme 2022** (Continued)*BIGL Share Option Scheme 2022 (the "Scheme") (Continued)*

Details of options granted under the Scheme are as follows:

	Aggregate options granted since commencement of Scheme to 31 December 2023	Aggregate options exercised since commencement of Scheme to 31 December 2023	Aggregate options forfeited since commencement of Scheme to 31 December 2023	Aggregate options outstanding as at 31 December 2023
^(a) <u>Name of directors</u>				
Basil Chan	200,000	–	–	200,000
Teo Ho Pin	200,000	–	–	200,000
Jen Kwong Hwa	200,000	–	–	200,000
	<u>600,000</u>	<u>–</u>	<u>–</u>	<u>600,000</u>
^(b) <u>Name of employees</u>				
Tan Choon Hoong	1,000,000	–	–	1,000,000
Tiong Chi Sieng	500,000	–	–	500,000
Lek Yew Sen	500,000	–	–	500,000
Leow Yong Kim	250,000	–	–	250,000
	<u>2,250,000</u>	<u>–</u>	<u>–</u>	<u>2,250,000</u>

6. **Audit committee**

Basil Chan (Chairman)	Lead independent director
Lew Syn Pau	Non-executive director
Teo Ho Pin	Independent and non-executive director
Jen Kwong Hwa	Independent and non-executive director

The Audit Committee performs its functions specified in Section 201B(5) of the Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance. Among other functions, the Audit Committee performed the following functions:

- Reviewed with the company's internal auditor, the scope of the internal audit plan, the internal audit report and the results of the internal audit procedures, including those relating to financial, operational, compliance and information technology controls and risk management;
- Reviewed with the company's external auditor, the scope of the external audit plan, the external audit report, the results of the external audit procedures, and the evaluation of the internal accounting control that are relevant to the statutory audit;
- Reviewed the assistance provided by the company's officers to the internal and external auditors;
- Reviewed the financial information and the annual financial statements of the group and of the company prior to their submission to the Board of Directors of the company for adoption; and
- Reviewed interested person transactions (as defined in Chapter 9 of the SGX-ST's Listing Manual).

STATEMENT BY DIRECTORS

6. **Audit committee** (Continued)

The Audit Committee has full access to the management of the company and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees. Other functions performed by the Audit Committee are described in the Corporate Governance Report included in the Annual Report of the company. It also includes an explanation of how the external auditor's objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that RSM SG Assurance LLP be nominated for re-appointment as external auditor of the company at the forthcoming Annual General Meeting of the company.

In relation to the appointment of the external auditor, the Audit Committee is satisfied that the company is in compliance with Rules 712, 715 and 716 of the SGX-ST's Listing Manual.

7. **Independent auditor**

RSM SG Assurance LLP has expressed willingness to accept re-appointment. This audit firm was known as RSM Chio Lim LLP before 1 March 2024.

8. **Directors' opinion on the adequacy of internal controls**

Based on the internal controls established and maintained by the company, work performed by the internal auditor and independent external auditor, and reviews performed by management, other committees of the board and the board, the board, with the concurrence of the audit committee, is of the opinion that the company's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 31 December 2023 to address the risks that the company considers relevant and material to its operations.

9. **Subsequent developments**

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 29 February 2024, which would materially affect the group's and the company's operating and financial performance as of the date of this statement.

On behalf of the directors

Lew Syn Pau
Director

Basil Chan
Director

1 April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BROADWAY INDUSTRIAL GROUP LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Broadway Industrial Group Limited (the "company") and its subsidiaries (collectively, the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(1) Carrying values of property, plant and equipment and right-of-use assets

Please refer to Notes 15 and 16 to the financial statements for details.

As at 31 December 2023, the carrying values of the group's property, plant and equipment and right-of-use assets amounted to \$61,753,000 (2022: \$63,778,000) and \$5,789,000 (2022: \$5,443,000) respectively.

Management assessed and determined that there were indicators of impairment in relation to the group's property, plant and equipment and right-of-use assets used in the group's HDD Business due to the current economic environment and geopolitical uncertainties.

Management applied the value-in-use method (i.e. management's discounted cash flows of the HDD Business) to determine the recoverable amounts of the group's property, plant and equipment and right-of-use assets. Based on management's assessment, the recoverable amount of the group's property, plant and equipment and right-of-use assets was higher than their carrying values.

In estimating the value-in-use, management exercised significant judgement in projecting the HDD Business's revenue growth rate, gross profit margin, EBITDA margin, future capital expenditure, discount rate and terminal value rate. There are also estimation uncertainties. Management's judgement and the key assumptions and significant unobservable inputs used in the value-in-use calculation are disclosed in Notes 15 and 16 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BROADWAY INDUSTRIAL GROUP LIMITED

Key audit matters (Continued)

(1) Carrying values of property, plant and equipment and right-of-use assets (Continued)

With the assistance of our in-house valuation specialists and using our knowledge of the industry, the group's past historical performance and future plans, we assessed the appropriateness of the valuation methodology adopted and evaluated the reasonableness of the HDD Business's revenue growth rate, gross profit margin, EBITDA margin, terminal value rate and other estimates used by management in preparing the discounted cash flow forecast. We also independently recomputed the discount rate applied, using available industry data and performed sensitivity analysis on the outcome of the value-in-use calculation.

We reviewed the adequacy of the disclosures in the financial statements.

(2) Carrying value of investment in BIGL Asia Pte. Ltd.

Please refer to Note 17C to the financial statements for details.

As at 31 December 2023, the carrying amount of the company's investment in a subsidiary, BIGL Asia Pte. Ltd. ("BIGL Asia") amounted to \$104,000,000.

Management assessed and determined that there were indicators of impairment in relation to the company's investment in BIGL Asia, due to the current economic environment and geopolitical uncertainties.

Management applied the value-in-use method (i.e. management's discounted cash flows of the HDD Business) to determine the recoverable amount of the company's investment in BIGL Asia. Based on management's assessment, the recoverable amount of the company's investment in BIGL Asia was higher than its carrying amount.

In estimating the value-in-use, management exercised significant judgement in projecting the HDD Business's revenue growth rate, gross profit margin, EBITDA margin, future capital expenditure, discount rate and terminal value. There are also estimation uncertainties. Management's judgement and the key assumptions and significant unobservable inputs used in the value-in-use calculation are disclosed in Note 17 to the financial statements.

With the assistance of our in-house valuation specialists and using our knowledge of the industry, the group's past historical performance and future plans, we assessed the appropriateness of the valuation methodology adopted and evaluated the reasonableness of the HDD Business's revenue growth rate, gross profit margin, EBITDA margin, terminal value rate and other estimates used in preparing the discounted cash flow forecast. We also independently recomputed the discount rate applied, using available industry data and performed sensitivity analysis on the outcome of the value-in-use calculation.

We evaluated the adequacy of the disclosures included in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BROADWAY INDUSTRIAL GROUP LIMITED

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BROADWAY INDUSTRIAL GROUP LIMITED

Auditor's responsibilities for the audit of the financial statements (Continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Ling Ling.

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

1 April 2024

Engagement partner – effective from the reporting year ended 31 December 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REPORTING YEAR ENDED 31 DECEMBER 2023

	Notes	2023 \$'000	2022 \$'000 (Re-presented*)
Revenue	5	258,673	352,310
Cost of sales		(244,651)	(331,189)
Gross profit		14,022	21,121
Other income	6	1,501	2,949
Distribution expenses		(798)	(1,063)
Administrative expenses		(7,901)	(9,072)
Sales and marketing expenses		(963)	(331)
Other expenses	6	(1,254)	(3,506)
Finance income	7	543	24
Finance costs	8	(2,565)	(1,658)
Profit before income tax	9	2,585	8,464
Income tax income / (expense)	11	354	(1,053)
Profit from continuing operations for the year, net of tax		2,939	7,411
Loss from discontinued operations, net of tax	12	(564)	(1,709)
Profit for the year		2,375	5,702
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations, net of tax		(1,509)	(727)
Total comprehensive income		866	4,975
Profit / (loss) for the year attributable to:			
- Owners of the company		3,085	6,278
- Non-controlling interests		(710)	(576)
		2,375	5,702
Total comprehensive income / (loss) attributable to:			
- Owners of the company		1,585	5,598
- Non-controlling interests		(719)	(623)
		866	4,975
Earnings / (loss) per share			
	13	Cents	Cents
Basic			
- Continuing operations		0.77	1.63
- Discontinued operations		(0.09)	(0.25)
Total		0.68	1.38
Diluted			
- Continuing operations		0.77	1.63
- Discontinued operations		(0.09)	(0.25)
Total		0.68	1.38

* See Note 12. The comparative information has been re-presented due to discontinued operations.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	15	61,753	63,778	147	235
Right-of-use assets	16	5,789	5,443	307	512
Investments in subsidiaries	17	–	–	104,000	104,000
Other assets, non-current	18	52	52	52	52
Other receivables, non-current	19	–	–	–	359
Total non-current assets		67,594	69,273	104,506	105,158
<u>Current assets</u>					
Inventories	20	21,035	28,032	–	–
Trade and other receivables	19	73,442	25,704	10,644	10,395
Other assets, current	21	1,251	1,138	10	17
Cash and cash equivalents	22	33,901	29,360	302	653
Total current assets		129,629	84,234	10,956	11,065
Total assets		197,223	153,507	115,462	116,223
EQUITY AND LIABILITIES					
<u>Equity attributable to owners of the company</u>					
Share capital	23	113,163	113,163	113,163	113,163
(Accumulated losses) / retained earnings	24	(4,831)	(8,316)	4,546	4,296
Other reserves	25	(19,572)	(17,672)	(3,023)	(2,643)
Equity attributable to owners of the company		88,760	87,175	114,686	114,816
Non-controlling interests		102	801	–	–
Total equity		88,862	87,976	114,686	114,816
<u>Non-current liabilities</u>					
Other liabilities	27	1,648	1,907	–	–
Lease liabilities, non-current	28	5,670	4,194	93	276
Total non-current liabilities		7,318	6,101	93	276
<u>Current liabilities</u>					
Income tax payable		3,044	3,838	5	5
Trade and other payables	29	91,498	47,240	495	950
Loans and borrowings	30	3,849	6,805	–	–
Lease liabilities, current	28	2,652	1,547	183	176
Total current liabilities		101,043	59,430	683	1,131
Total liabilities		108,361	65,531	776	1,407
Total equity and liabilities		197,223	153,507	115,462	116,223

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

REPORTING YEAR ENDED 31 DECEMBER 2023

Group:	Share capital \$'000	Accumulated losses \$'000	Other reserves \$'000	Attributable to owners of the company sub-total \$'000	Non- controlling interest \$'000	Total equity \$'000
Current year:						
Opening balance at 1 January 2023	113,163	(8,316)	(17,672)	87,175	801	87,976
Total comprehensive income / (loss) for the year	–	3,085	(1,500)	1,585	(719)	866
Capital contribution by non-controlling interest (Note 17B)	–	–	–	–	132	132
Share-based payment (Note 25C)	–	400	(400)	–	–	–
Disposal of subsidiaries - discontinued operations	–	–	–	–	(112)	(112)
Closing balance at 31 December 2023	113,163	(4,831)	(19,572)	88,760	102	88,862
Previous year:						
Opening balance at 1 January 2022	113,166	(10,041)	(16,266)	86,859	887	87,746
Total comprehensive income / (loss) for the year	–	6,278	(680)	5,598	(623)	4,975
Capital contribution by non-controlling interest (Note 17B)	–	–	–	–	537	537
Purchase of treasury shares (Note 25A)	–	–	(729)	(729)	–	(729)
Share-based payment (Notes 25A and 25C)	(3)	–	3	–	–	–
Dividend paid (Note 14)	–	(4,553)	–	(4,553)	–	(4,553)
Closing balance at 31 December 2022	113,163	(8,316)	(17,672)	87,175	801	87,976

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

REPORTING YEAR ENDED 31 DECEMBER 2023

Company:	Share capital	Retained earnings	Other reserves	Total equity
	\$'000	\$'000	\$'000	\$'000
Current year:				
Opening balance at 1 January 2023	113,163	4,296	(2,643)	114,816
Total comprehensive loss for the year	–	(150)	20	(130)
Share-based payment (Notes 25A and 25C)	–	400	(400)	–
Closing balance at 31 December 2023	113,163	4,546	(3,023)	114,686
Previous year:				
Opening balance at 1 January 2022	113,166	16,556	(1,917)	127,805
Total comprehensive loss for the year	–	(7,707)	–	(7,707)
Purchase of treasury shares (Note 25A)	–	–	(729)	(729)
Share-based payment (Notes 25A and 25C)	(3)	–	3	–
Dividend paid (Note 14)	–	(4,553)	–	(4,553)
Closing balance at 31 December 2022	113,163	4,296	(2,643)	114,816

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

REPORTING YEAR ENDED 31 DECEMBER 2023

	2023 \$'000	2022 \$'000
Cash flows from operating activities		
Profit before tax from continuing operations	2,585	8,464
Loss before tax from discontinued operations	(564)	(1,709)
Allowance for inventory obsolescence – (reversal)	(109)	(174)
Depreciation of property, plant and equipment	9,599	11,439
Depreciation of right-of-use assets	1,971	1,758
Loss on disposal of investment in subsidiaries	45	–
Loss on disposal of property, plant and equipment	164	54
Interest expense	2,565	1,658
Interest income	(543)	(25)
Operating cash flows before changes in working capital	15,713	21,465
Inventories	6,349	11,933
Trade and other receivables	(49,078)	58,788
Other assets	(147)	(50)
Trade and other payables	46,296	(71,609)
Other liabilities	(228)	(103)
Net cash flows from operating activities	18,905	20,424
Income taxes paid	(382)	(1,104)
Net cash flows from operating activities	18,523	19,320
Cash flows from investing activities		
Capital contribution by non-controlling interests	132	537
Purchase of property, plant and equipment	(7,001)	(4,743)
Proceeds from disposal of property, plant and equipment	468	136
Interest received	543	25
Net cash flows used in investing activities	(5,858)	(4,045)
Cash flows from financing activities		
Cash pledged as security	(10)	(176)
Proceeds from bank borrowings	7,661	6,064
Repayment of bank borrowings	(10,576)	(10,566)
Dividends paid to shareholders of the company	–	(4,553)
Payment for principal portion of lease liabilities	(2,232)	(1,745)
Purchase of treasury shares	–	(729)
Interest expense paid	(2,565)	(1,658)
Net cash flows used in financing activities	(7,722)	(13,363)
Net increase in cash and cash equivalents	4,943	1,912
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	29,184	27,664
Effect of exchange rate fluctuations on cash held	(412)	(392)
Cash and cash equivalents, consolidated statement of cash flows, ending balance (Note 22A)	33,715	29,184

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. General

Broadway Industrial Group Limited (the "Company") (Registration No. 199405266K) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company and the subsidiaries (collectively, the "group"). All financial information in these financial statements are rounded to the nearest thousand ("'\$'000") except when otherwise indicated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The company is an investment holding company.

The company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of the subsidiaries are disclosed in Note 17 below.

The registered office and principal place of business of the company is located at 202 Kallang Bahru #07-01 Work Plus Store Spaze, Singapore 339339.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS(I) INT") as issued by the Accounting Standards Committee under ACRA ("ASC"). They comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material.

Basis of presentation and principles of consolidation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the group obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the company's separate statement of profit or loss and other comprehensive income is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Disclosures of material accounting policy information and other explanatory information

Disclosures are made on the accounting policy and other explanatory information relating to material transactions, other events or conditions if that information is material to the financial statements or is required by a financial reporting standard. Entity-specific information that relates to more than one account balance or a class of material transactions is described in Note 2A below. An account balance entity-specific information used is disclosed in the relevant respective account balances in the financial statements.

2A. Material accounting policy information and other explanatory information – general

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

NOTES TO THE FINANCIAL STATEMENTS

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2. Disclosures of material accounting policy information and other explanatory information (Continued)

2A. Material accounting policy information and other explanatory information – general (Continued)

Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation, if no impairment loss had been recognised.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the company as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the company. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant Note. Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Other specific material accounting policy information and other explanatory information

These are disclosed at the relevant notes to the financial statements.

2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the corresponding Notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

NOTES TO THE FINANCIAL STATEMENTS

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2. Disclosures of material accounting policy information and other explanatory information (Continued)

2B. Critical judgements, assumptions and estimation uncertainties (Continued)

- i) Estimating tax provision amounts. See Note 11.
- ii) Estimating of useful lives of property, plant and equipment. See Note 15.
- iii) Recoverable amount of the group's property, plant and equipment and right-of-use assets. See Notes 15 and 16.
- iv) Recoverable amount of the company's investment in BIGL Asia Pte. Ltd. ("BIGL Asia"). See Note 17C.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the group to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Mdm Lau Leok Yee, the mother of Wong Yi Jia, who is a director of the company.

3A. Related party transactions and balances

There are transactions and arrangements between the group and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Key management compensation

	Group	
	2023 \$'000	2022 \$'000
Fees to directors of the company	465	465
Salaries and other short-term employee benefits	2,736	2,802
Post-employment benefits	92	85
	3,293	3,352

The above amounts are included under employee benefits expense.

Directors and the key management personnel also participate in the BIGL Share Plan and Share Option Scheme 2022. During the reporting year, 600,000 and 2,250,000 (2022: Nil) market price options were granted to the directors and the key management personnel of the company respectively. The share options were granted on the terms and conditions as described in Note 26. As at the end of the reporting year, 2,850,000 (2022: Nil) of those share options were outstanding.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Further information about the remuneration of individual director is provided in the report on corporate governance in the Annual Report.

NOTES TO THE FINANCIAL STATEMENTS

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3. Related party relationships and transactions (Continued)

3C. Balances with subsidiaries

	Company	
	2023 \$'000	2022 \$'000
<u>Other receivables</u>		
Balance at beginning of the year	10,711	13,868
Loans to subsidiaries	–	356
Accrued interest income	12	46
Amounts paid in and settlement of liabilities on behalf of the company	(117)	(1,305)
Allowance for impairment	(5)	(2,254)
Balance at end of the year	<u>10,601</u>	<u>10,711</u>
Presented as follows:		
Other receivables (Note 19)	16,268	16,373
Less: Allowance for impairment (Note 19)	(5,667)	(5,662)
	<u>10,601</u>	<u>10,711</u>

4. Financial information by operating segments

Material accounting policy information and other explanatory information - Segment reporting

The group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the group.

4A. Information about reportable segment profit or loss, assets and liabilities

For management purposes, the group is organised into the following major strategic operating segments that offer different 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 (discontinued operations) – 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. Operations in this segment ceased / and was disposed of in 2023 (See Note 12).
- (3) PE segment – This segment comprises the manufacture and distribution of precision diecasting and machining parts primarily for the telecommunications equipment, industrial applications, automotive industries, and precision process toolings.
- (4) Others segment – This segment comprises mainly investment holdings.

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4. Financial information by operating segments (Continued)

4A. Information about reportable segment profit or loss, assets and liabilities (Continued)

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.

Inter-segment sales are measured on the basis that the group actually used to price the transfers. Internal transfer pricing policies of the group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in these financial statements.

4B. Profit or loss from continuing operations and reconciliations

Group	HDD \$'000	Robotics \$'000	PE \$'000	Others \$'000	Total \$'000
<u>2023</u>					
Revenue from external customers	256,875	–	1,798	–	258,673
EBITDA	19,423	–	(3,147)	(183)	16,093
Net finance (costs)/income	(1,849)	–	(306)	133	(2,022)
Depreciation expense	(10,384)	–	(1,063)	(39)	(11,486)
Profit/(loss) before income tax	7,190	–	(4,516)	(89)	2,585
Income tax income	354	–	–	–	354
Profit/(loss) from continuing operations, net of tax	7,544	–	(4,516)	(89)	2,939
Loss from discontinued operations, net of tax	–	(564)	–	–	(564)
<u>2022</u>					
Revenue from external customers	352,310	–	–	–	352,310
EBITDA	23,767	–	–	(578)	23,189
Net finance costs	(1,627)	–	–	(7)	(1,634)
Depreciation expense	(13,066)	–	–	(25)	(13,091)
Profit/(loss) before income tax	9,074	–	–	(610)	8,464
Income tax expense	(894)	–	–	(159)	(1,053)
Profit/(loss) from continuing operations, net of tax	8,180	–	–	(769)	7,411
Loss from discontinued operations, net of tax	–	(1,709)	–	–	(1,709)

NOTES TO THE FINANCIAL STATEMENTS

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4. Financial information by operating segments (Continued)

4C. Assets, liabilities, other material items and reconciliations

	HDD \$'000	Robotics \$'000	PE \$'000	Others \$'000	Total \$'000
Continuing operations					
<u>2023</u>					
Total assets	184,573	–	11,790	860	197,223
Total liabilities	101,220	–	6,366	775	108,361
Capital expenditure	1,545	–	7,809	–	9,354
<u>2022</u>					
Total assets	152,080	926	–	501	153,507
Total liabilities	65,081	120	–	330	65,531
Capital expenditure	4,112	80	–	27	4,219

4D. Geographical information

The company is domiciled in Singapore and its principal activity is investment holding.

The company's subsidiaries in the reportable segments are mainly located in the People's Republic of China ("PRC"), Thailand, Vietnam and Singapore.

In presenting information on the basis of geographical segments, revenue is attributable to countries on the geographical location of customers as follows:

	Group	
	2023 \$'000	2022 \$'000
	(Re-presented)	
<u>Revenue</u>		
Thailand	171,975	244,042
People's Republic of China	84,848	107,737
Vietnam	694	–
Other countries	1,156	531
	<u>258,673</u>	<u>352,310</u>

The non-current assets are analysed by the geographical area in which the assets are located:

	Group	
	2023 \$'000	2022 \$'000
<u>Non-current assets</u>		
Thailand	36,685	42,030
People's Republic of China	19,612	26,335
Singapore	509	889
Vietnam	10,767	–
Other countries	21	19
	<u>67,594</u>	<u>69,273</u>

NOTES TO THE FINANCIAL STATEMENTS

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5. Revenue

	Group	
	2023 \$'000	2022 \$'000
		(Re-presented)
Sale of goods	258,673	352,300
Provision of services	–	10
Total revenue	258,673	352,310

All contracts for sale of goods are less than 12 months. The customers are mainly manufacturers in the hard disk drive industry.

Material accounting policy information and other explanatory information – Revenue

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient, the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Revenue from provision of cleaning and other related services is recognised when the company satisfies the performance obligation at point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

6. Other income and (other expenses)

	Group	
	2023 \$'000	2022 \$'000
		(Re-presented)
Allowance for inventory obsolescence – reversal (Note 20)	–	156
Foreign currency exchange losses, net	(205)	(672)
Loss on disposal of property, plant and equipment	(127)	(29)
Government grant income	296	463
Provision for costs associated with product quality – (loss)/reversal	(8)	829
Redundancy costs	(914)	(2,468)
Insurance compensation	–	147
Scrap income	1,095	1,354
Others	110	(337)
Net	247	(557)
Presented in profit or loss as follows:		
Other income	1,501	2,949
Other expenses	(1,254)	(3,506)
Net	247	(557)

NOTES TO THE FINANCIAL STATEMENTS

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7. Finance income

	Group	
	2023 \$'000	2022 \$'000 (Re-presented)
Interest income on fixed deposits	543	24

8. Finance costs

	Group	
	2023 \$'000	2022 \$'000
Factoring charges	1,895	887
Interest expense on bank loans	234	357
Interest expense on lease liabilities	436	215
Others	–	199
Total finance costs	2,565	1,658

Material accounting policy information and other explanatory information – Finance costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expenses in the period in which they are incurred. Interest expenses is calculated using the effective interest method.

9. Items in profit or loss

In addition to the profit and loss line items disclosed elsewhere in the Notes to the financial statements, this item includes the following:

	Group	
	2023 \$'000	2022 \$'000 (Re-presented)
Audit fees to:		
- independent auditor of the company	123	111
- other auditors*	170	163
Non-audit related services fees to:		
- independent auditor of the company	–	16
- other auditors*	8	2
Energy costs	6,393	6,931
Professional fees	661	665
Repair and maintenance charges	2,532	3,381

* Include member firms of RSM International and an alliance firm of RSM SG Assurance LLP.

NOTES TO THE FINANCIAL STATEMENTS

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10. Employee benefits expense

	Group	
	2023 \$'000	2022 \$'000
		(Re-presented)
Salaries, bonuses and other costs	25,627	34,740
Contributions to		
- defined benefit plans (Note 27)	315	241
- defined contribution plans	2,076	3,688
- share-based payments expenses (Note 25C)	20	–
Total employee benefits expense	28,038	38,669
Included in profit or loss as follows:		
Cost of sales	23,334	33,696
Administrative expenses	3,844	4,697
Sales and marketing expenses	860	276
	28,038	38,669

Material accounting policy information and other explanatory information – Employee benefit expenses

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The group's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contributions retirement benefit plan in which employees are entitled to join upon fulfilling certain conditions.

Pursuant to relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the group. Contribution to the Scheme are recorded as an expense as they fall due.

The group has obligations in respect of severance payments that it must make to its employees of its subsidiary in Thailand, upon their retirement under the Thailand Labour Law. The group treats these severance payment obligations as a defined benefit plan. Under the defined benefit plan contributions are set at a level that is expected to be sufficient to pay the benefits falling due in the same period, and future benefits earned during the current period will be paid out of future contributions and the employees' benefits are determined by their length of their service. Such a plan creates actuarial risk for the group: if the ultimate cost of benefits already earned at the end of the reporting year is more than expected, the group would have to either increase its contributions or to persuade employees to accept a reduction in benefits.

For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the group is contractually obliged or where there is constructive obligation based on past practice.

NOTES TO THE FINANCIAL STATEMENTS

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11. Income tax

11A. Components of tax expense recognised in profit or loss:

	Group	
	2023 \$'000	2022 \$'000
<u>Income tax expense:</u>		
Current income tax expense	577	850
(Over) / under provision in prior years	(931)	53
Withholding tax on dividend income	–	150
Total income tax (income) / expense	(354)	1,053

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2022: 17.0%) to profit before income tax as a result of the following differences:

	Group	
	2023 \$'000	2022 \$'000
Profit before income tax	2,585	8,464
Income tax expense at the above rate	439	1,439
Effect of different tax rates in different countries	375	315
Income taxed at preferential tax rates outside Singapore	(494)	(2,497)
Expenses not deductible for tax purposes	1,035	1,044
Income not subject to tax	(1,002)	(127)
Withholding tax on dividend income	–	150
Deferred tax assets not recognised	224	676
(Over) / under provision in prior year	(931)	53
Total income tax (income) / expense	(354)	1,053

There are no income tax consequences of dividends to shareholders of the company.

Material accounting policy information and other explanatory information – Income tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and joint arrangements except where the group is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

NOTES TO THE FINANCIAL STATEMENTS

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11. Income tax (Continued)**11A. Components of tax expense recognised in profit or loss:** (Continued)Material accounting policy information and other explanatory information – Income tax (Continued)

Tax sparing credits are available to a subsidiary incorporated in the Republic of Mauritius, BIGL Asia Pacific Ltd., whereby the subsidiary is entitled to a tax credit equivalent to the higher of the actual foreign tax paid and a deemed credit of 80% of the tax on its foreign source income, thus reducing its effective tax rate to 3% (2022: 3%).

BIGL Technologies (Thailand) Co., Ltd., a subsidiary incorporated in Thailand, is under tax holiday in accordance with the provisions of the Thailand's Industrial Investment Promotion Act of B.E. 2520 that grants exemption from payment of corporate income tax for a period of seven years from the date on which the income is first derived from the promoted business. The exemption had been renewed in 2017 and the tax holiday expires in 2025.

Estimating tax provision amounts

The group derives a substantial amount of its profit from manufacturing and trading activities across several countries before the sale of final products to ultimate customers and is therefore subject to income taxes in several jurisdictions. Significant judgement is required in determining the taxable profit in each of the tax jurisdictions during the estimation of the provision for taxes. If the tax authorities disagree with the tax treatment and position adopted by the group on intra-group transactions, the group may be imposed with tax adjustments of up to 10 years of the operations under review. The group has recognised tax liabilities based on its assessment and interpretations of existing tax laws and applies judgement whether it is probable that additional taxes and interests will be due. The eventual tax liabilities may vary, for which the differences will be charged to profit or loss in the period when determination is made.

11B. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following tax losses of certain subsidiaries:

	Group	
	2023	2022
	\$'000	\$'000
Expiring within:		
Within one year	4,353	4,132
Between two to three years	4,926	8,601
Between four to five years	11,142	9,471
More than five years	11,446	9,534
	31,867	31,738

These tax losses are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of the tax losses because it is not probable that future taxable profit will be available in the relevant entities against which the group can utilise the benefits therefrom.

11C. Unrecognised deferred tax liabilities

A deferred tax liability of approximately \$518,000 (2022: \$488,000) has not been recognised for taxes that would be payable on the undistributed earnings of the group's foreign subsidiaries as the group is able to control the timing of the reversal of the taxable temporary difference and has determined that these undistributed earnings will not be distributed in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

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12. Loss from discontinued operations, net of tax

In 2023, the group decided to exit from its robotics business. Following the decision made, the group ceased its robotics business in Singapore and in December 2023, the group disposed its entire 100% equity interest in BIGL Enterprise Management (Beijing) Co., Ltd. ("BEBJ") and its subsidiary, Beijing Ant Brothers Technology Co., Ltd. ("BAB").

The results for the reporting year from the discontinued operations and the comparative figures, which have been included in the consolidated financial statements, were as follows:

	Group	
	2023 \$'000	2022 \$'000
Revenue	98	81
Cost of sales	(127)	(42)
Gross (loss) / profit	(29)	39
Other income / (other losses)	87	(83)
Distribution expenses	(11)	(36)
Sales and marketing expenses	(152)	(567)
Administrative expenses	(261)	(399)
Research and development expenses	(153)	(664)
Finance income	–	1
Loss before income tax	(519)	(1,709)
Income tax expenses	–	–
Loss, net of tax before disposal loss for the year	(519)	(1,709)
Loss on disposal of subsidiaries ^(a)	(45)	–
Total loss on discontinued operations	(564)	(1,709)

^(a) The loss arose on the disposal of the subsidiaries, BEBJ and BAB, being the consideration receivable on disposal less the carrying amount of the subsidiaries' net assets.

The following table is a summary of the carrying amounts of the assets and liabilities of the discontinued operations of 31 December 2023:

	\$'000
Property, plant and equipment	55
Inventories	335
Trade and other receivables	112
Trade and other payables	(245)
Net assets of disposal group	257
Less: Non-controlling interest	(112)
Net assets disposed	145
Loss on disposal of subsidiaries	(45)
Total consideration receivable	100

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13. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

	Group	
	2023 \$'000	2022 \$'000
Numerators:		
Profit attributable to owners of the company		
- Continuing operations	3,500	7,417
- Discontinued operations	(415)	(1,139)
	<u>3,085</u>	<u>6,278</u>
Number of shares		
Denominators:		
Weighted average number of equity shares (basic)	454,656	455,357
Unreleased share awards effect	-	17
Weighted average number of equity shares (diluted)	<u>454,656</u>	<u>455,374</u>

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting year.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares.

The dilutive effect derives from transactions such as: share awards (Note 26). The diluted amount per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each reporting year. The ordinary share equivalents included in these calculations are: (1) the average number of ordinary shares assumed to be outstanding during the reporting year and (2) shares of ordinary share issuable upon assumed exercise of share options which (if any) would have a dilutive effect.

14. Dividends on equity shares

	Group and Company			
	Rate per share			
	2023 \$	2022 \$	2023 \$'000	2022 \$'000
Final exempt 2021 (1-tier) dividend paid	-	0.005	-	2,277
Special exempt 2021 (1-tier) dividend paid	-	0.005	-	2,276
Net	<u>-</u>	<u>0.010</u>	<u>-</u>	<u>4,553</u>

In respect of the current reporting year, the directors have proposed that a final dividend of 0.5 cents per share with a total of \$2,273,000 be paid to shareholders after the next annual general meeting. There are no income tax consequences to the company. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend become payables.

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15. Property, plant and equipment

Group	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and machinery \$'000	Office equipment and furniture \$'000	Motor vehicles \$'000	Construction- in-progress \$'000	Total \$'000
<u>Cost:</u>									
At 1 January 2022	1,724	1,330	25,223	37,652	217,559	3,694	335	350	287,867
Additions	-	-	-	533	2,535	231	-	920	4,219
Disposals	-	-	-	(1,056)	(3,305)	(737)	-	304	(4,794)
Reclassifications	-	-	-	2	1,035	16	-	(1,053)	-
Foreign exchange adjustments	(10)	(7)	(140)	(196)	(1,280)	(13)	57	(3)	(1,592)
At 31 December 2022	1,714	1,323	25,083	36,935	216,544	3,191	392	518	285,700
Additions	-	-	-	1,333	7,182	541	-	298	9,354
Disposals	-	-	-	-	(26,301)	(184)	-	(309)	(26,794)
Disposal – discontinued operations	-	-	-	(62)	(208)	(63)	-	-	(333)
Reclassifications	-	-	-	-	103	63	-	(166)	-
Foreign exchange adjustments	(32)	(25)	(469)	(685)	(4,043)	(56)	(7)	(10)	(5,327)
At 31 December 2023	1,682	1,298	24,614	37,521	193,277	3,492	385	331	262,600
<u>Accumulated depreciation:</u>									
At 1 January 2022	-	309	8,122	20,619	183,938	3,275	204	-	216,467
Depreciation for the year	-	30	647	1,736	8,692	235	54	-	11,439
Disposals	-	-	-	(1,029)	(2,841)	(734)	-	-	(4,604)
Reclassification	-	-	-	50	(60)	10	-	-	-
Foreign exchange adjustments	-	(2)	(63)	(134)	(1,220)	(8)	47	-	(1,380)
At 31 December 2022	-	338	8,750	21,242	188,509	2,778	305	-	221,922
Depreciation for the year	-	30	658	1,716	6,834	313	48	-	9,599
Disposals	-	-	-	-	(25,963)	(186)	-	-	(26,149)
Disposal – discontinued operations	-	-	-	(62)	(110)	(46)	-	-	(218)
Foreign exchange adjustments	-	(7)	(175)	(424)	(3,637)	(57)	(7)	-	(4,307)
At 31 December 2023	-	361	9,233	22,472	165,633	2,802	346	-	200,847
<u>Carrying value:</u>									
At 1 January 2022	1,724	1,021	17,101	17,033	33,621	419	131	350	71,400
At 31 December 2022	1,714	985	16,333	15,693	28,035	413	87	518	63,778
At 31 December 2023	1,682	937	15,381	15,049	27,644	636	39	385	61,753

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Property, plant and equipment (Continued)

Company	Leasehold improvements \$'000	Office equipment and furniture \$'000	Total \$'000
<u>Cost:</u>			
At 1 January 2022	59	90	149
Additions	231	34	265
Written off	(59)	(4)	(63)
At 31 December 2022	231	120	351
Written off	–	(2)	(2)
At 31 December 2023	231	118	349
<u>Accumulated depreciation:</u>			
At 1 January 2022	22	88	110
Depreciation for the year	34	7	41
Written off	(31)	(4)	(35)
At 31 December 2022	25	91	116
Depreciation for the year	77	11	88
Written off	–	(2)	(2)
At 31 December 2023	102	100	202
<u>Carrying value:</u>			
At 1 January 2022	37	2	39
At 31 December 2022	206	29	235
At 31 December 2023	129	18	147

Material accounting policy information and other explanatory information – Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets as follow:

Leasehold land	–	26 to 50 years (period of lease)
Buildings	–	16 to 47 years
Leasehold improvements	–	1 to 5 years
Plant and machinery	–	2 to 10 years
Office equipment and furniture	–	3 to 5 years
Motor vehicles	–	5 years

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Property, plant and equipment (Continued)

Material accounting policy information and other explanatory information – Property, plant and equipment (cont'd)

Freehold land has an unlimited useful life and therefore is not depreciated.

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

The residual values of assets, useful lives of assets and recognised impairment losses are reviewed, and adjusted if appropriate, whenever events or circumstances indicate that a revision is warranted.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss.

Estimating of useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors that could change materially because of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is \$27,644,000 (2022: \$28,035,000).

Recoverable amount of the group's property, plant and equipment and right-of-use assets

The management assesses at each end of the reporting year whether there is any indication that the carrying value of its property, plant and equipment and right-of-use assets (Note 16) are impaired.

The group's property, plant and equipment and right-of-use assets are substantially attributable to its HDD Business. Management assessed and determined that there were indicators of impairment in relation to the group's property, plant and equipment and right-of-use assets used in the group's HDD Business due to the current economic environment and geopolitical uncertainties.

Management applied the value-in-use method (i.e. management's discounted cash flows of the HDD Business) to determine the recoverable amount of the group's property, plant and equipment and right-of-use assets.

In estimating the value-in-use, management exercised significant judgement in projecting the HDD Business's revenue growth rate, gross profit margin, earnings before interest, depreciation, amortisation and taxes ("EBITDA") margin, discount rate and terminal value. There are also estimation uncertainties. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset affected.

The quantitative information and key assumptions used in the value-in-use method to determine the recoverable amounts of the group's property, plant and equipment and right-of-use assets are disclosed in Note 17C. As the recoverable amounts of the property, plant and equipment and right-of-use assets were higher than their carrying values as at the reporting year end, no impairment loss was deemed necessary (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Property, plant and equipment (Continued)

Allocation of the depreciation expense:

	Group	
	2023	2022
	\$'000	\$'000
<i>Continuing operations</i>		
Cost of sales	9,144	11,193
Distribution expenses	39	54
Administrative expenses	327	81
Sales and marketing expenses	5	5
Sub-total from continuing operations	<u>9,515</u>	<u>11,333</u>
<i>Discontinued operations</i>		
Administrative expenses	36	40
Sales and marketing expenses	36	50
Research and development expenses	12	16
Sub-total from discontinued operations	<u>84</u>	<u>106</u>
Total depreciation expense	<u>9,599</u>	<u>11,439</u>

Security

The carrying value of the group's property, plant and equipment that have been pledged as securities for financing facilities (Note 30) are as follows:

	Group	
	2023	2022
	\$'000	\$'000
Land, buildings and leasehold improvements	<u>8,512</u>	<u>9,483</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. Right-of-use assets

Group	Properties \$'000
<u>Cost:</u>	
At 1 January 2022	9,848
Additions	1,935
Disposals	(1,334)
Foreign exchange adjustments	(87)
At 31 December 2022	10,362
Additions	2,374
Foreign exchange adjustments	(203)
At 31 December 2023	12,533
<u>Accumulated depreciation:</u>	
At 1 January 2022	4,559
Depreciation for the year	1,758
Disposals	(1,334)
Foreign exchange adjustments	(64)
At 31 December 2022	4,919
Depreciation for the year	1,971
Foreign exchange adjustments	(146)
At 31 December 2023	6,744
<u>Carrying value:</u>	
At 1 January 2022	5,289
At 31 December 2022	5,443
At 31 December 2023	5,789
Company	Property \$'000
<u>Cost:</u>	
At 1 January 2022	430
Additions	614
Disposals	(430)
At 31 December 2022 and 2023	614
<u>Accumulated depreciation:</u>	
At 1 January 2022	310
Depreciation for the year	222
Disposals	(430)
At 31 December 2022	102
Depreciation for the year	205
At 31 December 2023	307
<u>Carrying value:</u>	
At 1 January 2022	120
At 31 December 2022	512
At 31 December 2023	307

The right-of-use assets are in relation to the group's factories and office spaces. The related lease liabilities are disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

16. Right-of-use assets (Continued)

Material accounting policy information and other explanatory information – Right-of-use assets

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets over the estimated useful lives of the right-of-use assets are as follows:

Buildings and offices – 1 to 6 years (over periods of leases)

Allocation of the depreciation expense:

	Group	
	2023	2022
	\$'000	\$'000
Cost of sales	1,750	1,525
Administrative expenses	221	233
Total depreciation expense	1,971	1,758

17. Investments in subsidiaries

	Company	
	2023	2022
	\$'000	\$'000
Unquoted equity interests at cost	125,456	125,456
Less: Allowance for impairment	(21,456)	(21,456)
Carrying value	104,000	104,000
<u>Movements in allowance for impairment:</u>		
Balance at beginning of the year	21,456	19,056
Impairment loss charged to profit or loss	–	2,400
Balance at end of the year	21,456	21,456

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Investments in subsidiaries (Continued)

Material accounting policy information and other explanatory information – Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the group and the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the group has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the group controls another entity.

In the company's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

17A. Listing of and information on subsidiaries

Name of subsidiaries, country of incorporation, place of operations and principal activities

	Cost of investment		Effective equity held	
	2023	2022	2023	2022
	\$'000	\$'000	%	%
<i>Held by the company</i>				
BIGL Asia Pte. Ltd. ^(a)	125,456	125,456	100	100
Singapore				
Investment holding				
BIGL Enterprises (Singapore) Pte. Ltd. ^(a)	*	*	100	100
Singapore				
Investment holding				
	125,456	125,456		
<i>Held through BIGL Asia Pte. Ltd.</i>				
BIGL Asia Pacific Limited ^(b)			100	100
Republic of Mauritius				
People's Republic of China				
Distribution of precision machined components				
BIGL Technologies (Thailand) Co., Ltd. ^(b)			99.99	99.99
Thailand				
Manufacturer of precision machined components and the sub-assembly of actuator arms				
BIGL Technologies (Shenzhen) Co., Ltd. ^(c)			100	100
People's Republic of China				
Manufacturer of precision machined components				

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Investments in subsidiaries (Continued)**17A. Listing of and information on subsidiaries** (Continued)
**Name of subsidiaries, country of incorporation,
place of operations and principal activities**
Effective equity held

	2023	2022
	%	%
<i>Held through BIGL Asia Pte. Ltd. (Continued)</i>		
BIGL Technologies (Wuxi) Co., Ltd. ^{(c) %} People's Republic of China Manufacturer of precision machined components and the sub-assembly of actuator arms	100	100
BIGL Technologies (Chongqing) Co., Ltd. ^(d) People's Republic of China Manufacturer of precision components	100	100
BIGL Technologies (Suzhou) Co., Ltd. ^{(d) ^} People's Republic of China Manufacturer of precision machined components	–	100
Compart Engineering, Inc. ^(d) United States of America Investment holding	100	100
BIGL Korea Co. Ltd. ^(d) Republic of Korea Research and development, sale of precision parts and components	86.84	89.19
<i>Held through BIGL Enterprises (Singapore) Pte. Ltd.</i>		
BIGL Technologies (Thailand) Co., Ltd. ^(b) Thailand Manufacturer of precision machined components and the sub-assembly of actuator arms	#	#
BIGL Enterprise Management (Beijing) Co., Ltd. ^(c) People's Republic of China Enterprise and business management	–	100
BIGL Robotics Pte. Ltd. ^(a) Singapore Wholesale of other machinery and equipment and after-sales service including technical activities	100	100
<i>Held through BIGL Asia Pacific Limited</i>		
BIGL Holdings Pte. Ltd. ^(a) Singapore Business and management consultancy services	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Investments in subsidiaries (Continued)

17A. Listing of and information on subsidiaries (Continued)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Effective equity held	
	2023	2022
	%	%
<i>Held through BIGL Holdings Pte. Ltd.</i>		
BIGL Technologies (Thailand) Co., Ltd. ^(b)	#	#
Thailand		
Manufacturer of precision machined components and the sub-assembly of actuator arms		
BIGL Management Consultancy (Shenzhen) Co., Ltd. ^(d)	100	100
People's Republic of China		
Business and management consultancy services		
<i>Held through BIGL Enterprise Management (Beijing) Co., Ltd.</i>		
Beijing Ant Brothers Technology Co., Ltd. ^(e)	–	55
People's Republic of China		
Provision of technical services, technology transfer, technology development, technology promotion, technical consultation and sales of computer software and accessory devices		
<i>Held through BIGL Korea Co., Ltd.</i>		
BIGL Vietnam Company Limited ^(a)	100	–
(Incorporated on 17 January 2023)		
Vietnam		
Manufacturer of precision parts and component		

* Denotes less than \$1,000.

^(a) Audited by RSM SG Assurance LLP, a member firm of RSM International.

^(b) Audited by member firms of RSM International of which RSM SG Assurance LLP in Singapore is a member.

^(c) Audited by SBA Stone Forest CPA Co Ltd, an alliance firm of RSM SG Assurance LLP, for consolidation purpose.

^(d) Not audited as these subsidiaries are not material to the group.

^(e) Equity interests in the subsidiary have been frozen by Jiangsu Wuxi Intermediate People's Court from 27 October 2021 to 4 March 2024 pursuant to the arbitration arising from the terminated disposal of the HDD Business (see Note 31 for details).

Holds less than 0.01% pursuant to an acquisition from non-controlling interests for Nil consideration. The remaining shares are held by BIGL Asia directly.

^ The subsidiary was struck off on 6 May 2023.

⊙ These subsidiaries had been disposed on 26 December 2023 (see Note 12 for details).

The group does not have subsidiaries with material non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Investments in subsidiaries (Continued)

17B. Acquisition of subsidiaries

On 11 November 2022, the group, via BIGL Asia, entered into a shareholders' agreement (the "SHA") with HSMJ Co., Ltd. ("HSMJ"), incorporated in Republic of Korea, whereby both parties agreed to co-invest a company in Korea, BIGL Korea Co. Ltd. ("BIGL Korea"). The company's and HSMJ's equity interest in BIGL Korea will be in the proportion of 55% and 45% respectively.

Subsequently, BIGL Korea incorporated a wholly-owned subsidiary in Vietnam, BIGL Vietnam Company Limited.

On 13 October 2023, as a result of a default event, i.e. HSMJ's failure to fully contribute the additional sum in accordance of the SHA, both parties entered into a supplementary agreement and agreed that the right of the company to require HSMJ to either:

- (a) sell all of HSMJ's shares to the company at a price equivalent to 90% of the fair market value of HSMJ's shares or
- (b) purchase all of BASG's shares from the company at a price equivalent to 110% of the fair market value of BASG's shares,

shall be extended to, and shall be exercisable by the company at any time by no later than, 31 December 2024.

As at the reporting year end, the company and HSMJ had subscribed for 430,218 shares and 65,185 shares of KRW10,000 each respectively, representing 86.84% and 13.16% of BIGL Korea's shares respectively.

17C. Recoverable amount of the company's investment in BIGL Asia

The group's HDD Business is held through BIGL Asia, a wholly-owned subsidiary of the company.

Management applied the value-in-use method (i.e. management's discounted cash flows of the HDD Business) to determine the recoverable amount of the company's investment in BIGL Asia. The value-in-use method is a Level 3 fair value measurement. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by the Board of Directors covering a five-year period, and covered the operating performance of the subsidiaries within the HDD segment, changes in the technological, market, economic or legal environment in countries where the subsidiaries operate, changes to the market interest rates and impact of the Covid-19 pandemic and the war in Ukraine.

The key assumptions and quantitative information on the significant unobservable inputs used in the value-in-use calculations for the HDD Business are analysed as follows:

Company	2023	2022
Valuation technique:	Discounted cash flow method	
<u>Unobservable inputs</u>		
Revenue growth rate		
- Within the next reporting year	-4.6%	-10.5%
- From the 2nd to the 5th reporting years	6.2% - 13.5%	3.1% - 7.5%
Gross profit margin:	6.6% - 7.0%	5.2% - 6.6%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin:	5.6% - 5.8%	5.2% - 6.1%
Terminal growth rate:	2.5%	3.0%
Estimated discount rates using post-tax rates that reflect current market assessments at the risks specific to the investment:	14.3%	15.4%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

17. Investments in subsidiaries (Continued)

17C. Recoverable amount of the company's investment in BIGL Asia (Continued)

In estimating the value-in-use, management exercise significant judgement in projecting the HDD Business's revenue growth rate, gross profit margin, EBITDA margin, discount rate and terminal value. There are also estimation uncertainties. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset affected.

Based on management's assessment, the recoverable amount of the company's investment in BIGL Asia was higher than its carrying value. Consequently, there was no impairment loss recognised in 2023 (2022: \$2,400,000).

18. Other assets, non-current

	Group and Company	
	2023	2022
	\$'000	\$'000
Transferable club memberships	<u>52</u>	<u>52</u>

19. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<u>Trade receivables:</u>				
Outside parties	72,346	24,589	–	–
Less: Allowance for impairment	(533)	(552)	–	–
Subtotal	<u>71,813</u>	<u>24,037</u>	<u>–</u>	<u>–</u>
<u>Other receivables:</u>				
Outside parties	883	975	–	–
Subsidiaries (Note 3C)	–	–	16,268	16,373
Less: Allowance for impairment	–	–	(5,667)	(5,662)
Deposits	746	692	43	43
Subtotal	<u>1,629</u>	<u>1,667</u>	<u>10,644</u>	<u>10,754</u>
Total trade and other receivables	<u>73,442</u>	<u>25,704</u>	<u>10,644</u>	<u>10,754</u>
<u>Presented as follows:</u>				
Current	73,442	25,704	10,644	10,395
Non-current	–	–	–	359
Net	<u>73,442</u>	<u>25,704</u>	<u>10,644</u>	<u>10,754</u>
<u>Movements in allowance for impairment:</u>				
Balance at beginning of the year	552	607	5,662	3,408
Allowance included in other gains/(other losses) (Note 6)	–	–	5	2,254
Foreign exchange adjustments	(19)	(55)	–	–
Balance at end of the year	<u>533</u>	<u>552</u>	<u>5,667</u>	<u>5,662</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

19. Trade and other receivables (Continued)

Material accounting policy information and other explanatory information – Trade and other receivables

See Note 35 on financial instruments.

The group's trade receivables totalling \$41,731,000 (2022: \$10,269,000) were sold to banks as at the end of the reporting year. These trade receivables have been derecognised as they were sold without recourse.

Other receivables are normally with no fixed terms and therefore there is no maturity.

Included in other receivables due from subsidiaries are loan receivables and accrued interest income due from subsidiaries amounting to \$5,662,000 (2022: \$5,692,000) and \$131,000 (2022: \$89,000) respectively. These loans bear interest at rates ranging from 2.80% to 3.74% (2022: 0.39% to 2.54%) per annum. The maturity dates of the loans and the accrued interest income are as follows:

	Company	
	2023 \$'000	2022 \$'000
Within 1 year	5,793	5,422
Between 2 to 3 years	–	359
Net	<u>5,793</u>	<u>5,781</u>

Trade receivables

The group has a few customers with material balances which can be credit risk graded individually and these are recorded at inception net of any expected lifetime credit loss. For these material balances the credit risk is graded individually. For these material balances, at the end of the reporting year a loss allowance is recognised if there has been a significant increase in credit risk since initial recognition. For any significant increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 90 days (2022: 60 days). But some customers take a longer period to settle the amounts.

There are no collateral held as security and other credit enhancements for the trade receivables.

Ageing analysis of trade receivable amounts that are past due but not impaired as at the end of reporting year:

	Group	
	2023 \$'000	2022 \$'000
Past due over 120 days	<u>235</u>	<u>149</u>

Ageing analysis of trade receivable amounts that are past due and impaired as at the end of reporting year:

	Group	
	2023 \$'000	2022 \$'000
Past due over 120 days	<u>533</u>	<u>552</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

19. Trade and other receivables (Continued)

Trade receivables (Continued)

The allowance on trade receivables is based on individual accounts totalling \$533,000 (2022: \$552,000) that are determined to be impaired at the end of reporting year.

The top 2 (2022: 2) customers of the group represented more than 90% of the group's trade receivables in 2023 and 2022.

Other receivables

A loss allowance of \$5,667,000 (2022: \$5,662,000) related to other receivables from subsidiaries is recognised at the end of the reporting year.

20. Inventories

	Group	
	2023	2022
	\$'000	\$'000
Raw materials	6,590	9,969
Work-in-progress	1,733	2,893
Finished goods	12,232	14,318
Spare parts and others	480	852
Net	21,035	28,032
<u>Inventories are stated after allowance for obsolescence as follows:</u>		
Balance at beginning of the year	124	295
Reversal to profit or loss included in cost of sales	(109)	(18)
Reversal to profit or loss included in other income/(other expenses) (Note 6)	–	(156)
Foreign exchange adjustments	(1)	3
Balance at end of the year	14	124
Included in cost of sales:		
Changes in inventories – decrease	7,106	11,874
Purchases of inventories	188,334	255,558

There are no inventories pledged as security for liabilities.

Material accounting policy information and other explanatory information – Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first in first out method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

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21. Other assets, current

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Prepayments	<u>1,251</u>	<u>1,138</u>	<u>10</u>	<u>17</u>

22. Cash and cash equivalents

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Not restricted in use	<u>33,715</u>	<u>29,184</u>	<u>302</u>	<u>653</u>
Restricted in use	<u>186</u>	<u>176</u>	<u>–</u>	<u>–</u>
	<u>33,901</u>	<u>29,360</u>	<u>302</u>	<u>653</u>

At the end of the reporting year, cash at bank of \$186,000 (2022: 176,000) was pledged as collateral for banking facilities.

The interest earning balances are not material.

Material accounting policy information and other explanatory information – Cash and cash equivalents

Cash and cash equivalents include bank and cash balances and on demand deposit. For the consolidated statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction, if any.

22A. Cash and cash equivalents in the statement of cash flows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Amount as shown above	<u>33,901</u>	<u>29,360</u>	<u>302</u>	<u>653</u>
Cash pledged for bank facilities	<u>(186)</u>	<u>(176)</u>	<u>–</u>	<u>–</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>33,715</u>	<u>29,184</u>	<u>302</u>	<u>653</u>

22B. Non-cash movements

Additions to right-of-use assets of the group and of the company included capitalised restoration costs of Nil (2022: \$96,000) (Note 29).

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22. Cash and cash equivalents (Continued)

22C. Reconciliation of liabilities arising from financing activities

Group	At beginning of the year \$'000	Cash flows \$'000	Non-cash changes \$'000	At end of the year \$'000
<u>2023:</u>				
Loans and borrowings	6,805	(2,915)	(41) ^(a)	3,849
Lease liabilities	5,741	(2,232)	4,813 ^(b)	8,322
Total liabilities from financing activities	12,546	(5,147)	4,772	12,171
<u>2022:</u>				
Loans and borrowings	11,254	(4,502)	53 ^(a)	6,805
Lease liabilities	5,667	(1,745)	1,819 ^(b)	5,741
Total liabilities from financing activities	16,921	(6,247)	1,872	12,546

^(a) Comprise of foreign exchange adjustments.^(b) Comprise of (i) new leases signed of \$4,874,000 (2022: \$1,845,000) and (ii) foreign exchange adjustments of \$61,000 (2022: \$26,000).

23. Share capital

	Number of shares issued '000	Share capital \$'000
<u>Ordinary shares of no par value:</u>		
Balance at 1 January 2022	471,914	113,166
Shares issued under BIGL Share Plan (Note 26)	–	(3)
Balance at 31 December 2022 and 2023	471,914	113,163

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

Capital management:

In order to maintain its listing on the Singapore Stock Exchange, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The group's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity, less amounts accumulated in equity related to cash flow hedges. The Board of Directors monitors the average return on capital, which the group defines as net operating income / (expense) divided by total average shareholders' equity excluding non-controlling interests.

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23. Share capital (Continued)

Capital management: (Continued)

	Group	
	2023 \$'000	2022 \$'000
		(Re-presented)
Profit before income tax	2,585	8,464
Finance income	(543)	(24)
Finance costs	2,565	1,658
Net operating income	<u>4,607</u>	<u>10,098</u>
Equity attributable to owners of the company	<u>88,760</u>	<u>87,175</u>
Average return on capital	<u>5%</u>	<u>12%</u>

The Board of Directors also monitors the level of dividends to ordinary shareholders and seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board of Directors does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

From time to time, the group purchases its own shares on the market; the timing of these purchases depends on market prices. The shares are primarily intended to be used for issuing shares under the group's share option and share award programs.

The aggregate number of shares available under the 2022 Plan and Scheme (Note 26) shall not exceed 15% of the company's total issued shares (excluding treasury shares).

There were no changes in the group's approach to capital management during the reporting year.

24. Accumulated losses

According to the relevant PRC regulations, the subsidiaries in the PRC are required to transfer 10% of profit, net of tax, as determined under generally accepted accounting principles of the PRC, to the statutory surplus reserve until the reserve balance reaches 50% of the subsidiary's registered capital. The transfer to this reserve must be made before the distribution of dividends to equity owners. The statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital in proportion to the existing interests of equity owners.

According to Thailand's Civil and Commercial Code, the subsidiary in Thailand is required to allocate not less than 5% of its net profit to the legal reserve upon each dividend distribution, until the reserve balance reaches an amount not less than 10% of the subsidiary's registered share capital.

As at the end of the reporting year, the group's accumulated losses included amounts relating to statutory reserve and legal reserve of subsidiaries in the PRC and Thailand totalled \$3,824,000 (2022: \$3,537,000) and \$844,000 (2022: \$820,000) respectively. The statutory reserve and legal reserve are not available for dividend distribution.

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25. Other reserves

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Treasury shares (Note 25A)	(3,043)	(3,043)	(3,043)	(3,043)
Capital reserve (Note 25B)	2,924	2,924	–	–
Share-based payment reserve (Note 25C)	20	400	20	400
Foreign currency translation reserve (Note 25D)	(19,473)	(17,953)	–	–
	(19,572)	(17,672)	(3,023)	(2,643)

Other reserves are not available for cash dividends unless realised.

25A. Treasury shares

	Group and Company	
	Number of shares issued '000	Share capital \$'000
Balance at 1 January 2022	(13,633)	(2,320)
Share acquired	(3,665)	(729)
Shares issued to under BIGL Share Plan (Notes 23 and 26)	40	6
Balance at 31 December 2022 and 2023	(17,258)	(3,043)

Treasury shares were ordinary shares acquired by the company from the market. These shares may be used for shares awards to employees in the group under the share option and / or share plan programme. The reserve represents consideration paid by the company to acquire its ordinary shares. When the treasury shares are subsequently sold or re-issued, the cost of the treasury shares is reversed from reserve for own shares account and the realised gain or loss on the transaction is presented as a change in equity of the company. No gain or loss is recognised in profit or loss.

25B. Capital reserve

Capital reserve mainly arises from the restructuring of BIGL Asia Pte. Ltd. and its subsidiaries in 2004.

25C. Share-based payment reserve

	Group and Company	
	2023 \$'000	2022 \$'000
Balance at beginning of the year	400	403
Exercised during the year	–	(3)
Expiry of share options – transferred to retained earnings	(400)	–
Expense recognised in profit or loss (Note 10)	20	–
Balance at end of the year	20	400

The share-based payment expense is included in administrative expenses.

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25. Other reserves (Continued)**25C. Share-based payment reserve** (Continued)

The share-based payment reserve comprises the cumulative value of employee services received for the issue of share options and share awards. When share options are exercised and share awards vested, the cumulative amount in the share-based payment reserve which relates to the valuable consideration received in the form of employee services is transferred to share capital / reserve for own shares.

25D. Foreign currency translation reserve

	Group	
	2023	2022
	\$'000	\$'000
Balance at beginning of the year	(17,953)	(17,273)
Exchange differences on translating foreign operations, net	(1,520)	(680)
Balance at end of the year	<u>(19,473)</u>	<u>(17,953)</u>

This reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the company.

26. Share-based payment arrangement

The BIGL Share Plan 2022 and BIGL Share Option Scheme 2022 (the "Scheme") of the company was approved and adopted by its shareholders at an Extraordinary General Meeting held on 28 February 2022. The 2022 Plan and Scheme is administered by the Remuneration Committee of the company.

There were no issued share of the company under the Plan as at the reporting year ended 31 December 2023 (2022: Nil).

Under the Scheme, participants are required to pay a subscription price for the exercise of the options. The group's employees including non-executive directors of the company are eligible to participate in the 2022 Scheme at the absolute discretion of the Remuneration Committee. Controlling shareholders and their associates are not eligible to participate in the 2022 Scheme.

The eligible participants may be granted either a market price option or an incentive option. A market price option shall be at a price (the "Market Price") equal to the average of the last dealt prices for a share, as determined by reference to the daily official list made available by the SGX-ST, for the 5 market days immediately preceding the offer date of that option, rounded up to the nearest whole cent. A market price option is exercisable during a period commencing after the first anniversary of the offer date and expiring on the 5th or 10th anniversary of such offer date. An incentive option shall be determined by the Remuneration Committee at its absolute discretion, and fixed by the Remuneration Committee at a price which is set at a discount to the market price, provided that, the maximum discount shall not exceed 20% of the Market Price. An incentive option is exercisable during a period commencing after the second anniversary of the offer date and expiring on the 5th or 10th anniversary of such offer date.

2,850,000 (2022: Nil) market price options were granted in the reporting year ended 31 December 2023, and remained outstanding as at 31 December 2023.

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26. Share-based payment arrangement (Continued)

The details of the options granted under the Scheme are as follows:

Grant date	Participants	Number of options as of 31 December 2023	Vesting conditions	Contractual life of options
5 May 2023	Non-executive directors	240,000	1 year's service	5 years
5 May 2023	Employees	900,000	1 year's service	10 years
5 May 2023	Non-executive directors	180,000	2 years' service	5 years
5 May 2023	Employees	675,000	2 years' service	10 years
5 May 2023	Non-executive directors	180,000	3 years' service	5 years
5 May 2023	Employees	675,000	3 years' service	10 years
		2,850,000		

Input for measurement of grant date fair value

The Black-Scholes option pricing model was used with the following weighted-average assumptions for options granted during the following periods:

Fair value of share options and assumptions	2023
Fair value of share options at grant date	\$0.030 - \$0.053
Share price at grant date	\$0.087
Exercise price	\$0.090
Expected volatility (weighted average volatility)	73.50%
Options life	5 - 10 years
Expected dividends	3.16%
Risk-free interest rate (based on government bonds)	2.78%

Share-based payment arising from the share options and charged to employee benefit expenses amounted to \$20,000 (2022: Nil).

27. Other liabilities

	Group	
	2023 \$'000	2022 \$'000
Provision for employee benefit costs	1,648	1,907
Movements are as follows:		
Balance at beginning of the year	1,907	2,019
Net benefit expense recognised in profit or loss (Note 10)	315	241
Payments during the year	(561)	(246)
Foreign exchange adjustments	(13)	(107)
Balance at end of the year	1,648	1,907

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27. Other liabilities (Continued)

The group operates a defined benefit plan in accordance with Thailand Labour Laws for qualifying employees of its subsidiary in Thailand. The amounts are determined based on years of service and salaries of the employees at the time of the pension.

The cost of providing post-employment benefits was calculated based on actuarial valuation performed by an independent actuary.

The principal actuarial assumptions used for the purpose of the actuarial valuation at the end of reporting year are as follows:

Group	2023		2022	
	Monthly staff	Daily staff	Monthly staff	Daily staff
Discount rate	3.34%	3.34%	3.47%	3.47%
Salary increase rate	4.00%	3.00%	3.00%	1.00%
Turnover rate	0 - 33%	0 - 46%	0 - 14%	0 - 17%

28. Lease liabilities

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current	2,652	1,547	183	176
Non-current	5,670	4,194	93	276
	8,322	5,741	276	452

Movements of lease liabilities are as follows:

At beginning of the year	5,741	5,667	452	117
Additions	4,874	1,845	–	518
Accretion of interest	436	215	9	7
Lease payments – principal portion paid	(2,232)	(1,745)	(176)	(183)
Interest expense paid	(436)	(215)	(9)	(7)
Foreign exchange adjustments	(61)	(26)	–	–
At end of the year	8,322	5,741	276	452

The lease liabilities are in relation to the group's factories and office spaces. Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default. The related right-of-use assets are disclosed in Note 16.

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28. Lease liabilities (Continued)

A summary of the maturity analysis of lease liabilities at the end of the reporting year are as follows:

Group	Minimum payments \$'000	Finance charges \$'000	Present value \$'000
<u>2023:</u>			
Due within one year	3,226	(574)	2,652
Due within 2 to 5 years	6,638	(968)	5,670
	9,864	(1,542)	8,322
<u>2022:</u>			
Due within one year	1,761	(214)	1,547
Due within 2 to 5 years	4,573	(379)	4,194
	6,334	(593)	5,741
Company			
<u>2023:</u>			
Due within one year	187	(4)	183
Due within 2 to 5 years	94	(1)	93
	281	(5)	276
<u>2022:</u>			
Due within one year	186	(10)	176
Due within 2 to 5 years	281	(5)	276
	467	(15)	452

The future cash outflows commitments to which the lessee is potentially exposed are not reflected in the measurements of lease liabilities above. This arise from leases not yet commenced to which the lessee is committed. At the reporting year end date, total commitments on leases that had not yet commenced were as follows:

	Group	
	2023 \$'000	2022 \$'000
Properties	–	2,225

Apart from the disclosures above, other amounts relating to leases include the following:

	Group	
	2023 \$'000	2022 \$'000
Expenses relating to short-term leases included in:		
Cost of sales	340	504
Administrative expenses	218	354
	558	858

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28. Lease liabilities (Continued)

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments that do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

29. Trade and other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	88,730	45,341	479	937
<u>Other payables:</u>				
Outside parties	2,768	1,899	16	13
Total trade and other payables	91,498	47,240	495	950

Material accounting policy information and other explanatory information – Trade and other payables

See Note 35 on financial instruments.

30. Loans and borrowings

	Group			
	2023 \$'000	2022 \$'000	2023	2022
<u>Secured bank loans:</u>				
Current	3,849	6,805		
			Group	
	2023	2022	2023	2022
	%	%		
	\$'000	\$'000	\$'000	\$'000
Secured bank loans (USD)	4.76 – 7.40	3.36 – 7.92	2024	2023
	3,849	6,805		

The group's bank loans are secured by legal charges over property, plant and equipment (see Note 15) and guaranteed by a subsidiary in the group. In addition, the subsidiary drawing down the loan must comply with certain financial covenants.

The fair value (Level 2) is a reasonable approximation of the carrying amount as they are floating rate instruments that are frequently re-priced to market interest rates.

As at year ended 31 December 2023, the subsidiary, BIGL Technologies (Thailand) Co., Ltd breached a financial covenant for one of its bank facilities. It did not fulfil the requirement to maintain interest coverage ratio at 5 times. Subsequently to the year end, the bank provided waiver to the breach.

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31. Arbitration case

Termination of the disposal of HDD Business

On 31 December 2020, the group entered into a conditional sale and purchase agreement (the "Agreement") with Suzhou Gefan Hardware and Plastic Industrial Co., Ltd. and Seksun Technology (Suzhou) Co., Ltd. (collectively, the "Purchasers" or the "Claimants") to sell the group's business in the manufacturing and sale of actuator arms and related parts used in hard disk drive (the "HDD Business"). The disposal of the HDD Business was subject to the completion of certain conditions, including the approval from the company's shareholders and regulatory authorities prior to 30 June 2021.

Up to 30 June 2021, the approval from regulatory authorities was not obtained. The group and the Purchasers were also unable to agree mutually on the extension of the Agreement.

On 1 July 2021, the group issued a notice of termination of the Agreement to the Purchasers in accordance with the terms and conditions of the Agreement.

On 10 October 2021, the group received an arbitration notice dated 8 October 2021 from the China International Economic and Trade Arbitration Commission ("CIETAC") in relation to an arbitration initiated by the Purchasers against two wholly-owned subsidiaries in the group, namely, BIGL Asia Pte. Ltd. and BIGL Technologies (Shenzhen) Co., Ltd. (collectively, the "Respondents") and the company. The Purchasers alleged that they have suffered severe losses due to the alleged breach of the Agreement (the "Allegations") and they are seeking compensation for the termination of the Agreement, expenses incurred and expected damages suffered.

After a few oral hearings between both parties and two rounds of Post-Hearing Briefs in 2022, the group was notified by CIETAC on 2 January 2024 that, after the deliberation by the arbitral tribunal, the majority decision is as follows:

- all arbitration claims requested by the Purchasers and counterclaims requested by the Respondents are rejected;
- the arbitration fee for the relevant claim(s) which amounts to RMB797,551 (approximately \$150,938), is to be borne by the Purchasers. This fee has been offset by the equal amount of the arbitration deposit pre-paid by the Purchasers;
- the counterclaim arbitration fee which amounts to US\$21,597 (approximately \$28,974), is to be borne by the Respondents. This fee has been offset by the equal amount of the arbitration deposit pre-paid by the Respondents; and
- the actual expenses of RMB15,000 (approximately \$2,839) pre-paid by the Respondents for their appointed arbitrator will be refunded in full to the Respondents as it had not been incurred.

The award is final and binding upon the Claimants and the Respondents and has come into legal effect on 29 December 2023.

On 12 March 2024, BIGL Asia had through its Chinese Legal Counsel received a notice from JiangSu Wuxi Intermediate People Court that the lifting of the Freezing Order of BIGL Wuxi, has been granted with effect from 4 March 2024.

32. Contingent liability

	Company	
	2023 \$'000	2022 \$'000
Undertaking to support subsidiaries in deficit	<u>6,304</u>	<u>5,929</u>

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33. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2023 \$'000	2022 \$'000
Commitment to purchase plant and equipment	<u>145</u>	<u>353</u>

34. Operating lease income commitments

At the end of the reporting year, the group had leased a section of its Shenzhen property to an external party for rental income from 2023 to 2025. A maturity analysis of the undiscounted non-cancellable rental income to be received on an annual basis for three years is as follows:

	Group	
	2023 \$'000	2022 \$'000
Within 1 year	<u>178</u>	<u>185</u>
Between 2 to 3 years	<u>181</u>	<u>369</u>

35. Financial instruments: information on material accounting policy information and financial risks

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

35A. Categories of financial assets and financial liabilities

The financial reporting standard on financial instruments requires the categorisation of financial instruments. At the end of the reporting year, the group had the following categories financial assets and liabilities:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial liabilities are categorised as FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

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35. Financial instruments: information on material accounting policy information and financial risks (Continued)

35A. Categories of financial assets and financial liabilities (Continued)

The following table categorises the carrying amounts of financial assets and financial liabilities recorded at the end of the reporting year:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Financial assets:</u>				
Amortised cost	107,343	55,064	10,946	11,407
<u>Financial liabilities:</u>				
Amortised cost	103,669	59,786	771	1,402

Further quantitative disclosures are included throughout these financial statements.

35B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long-term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.
5. When appropriate consideration is given to entering into derivatives or any other similar instruments for hedging purposes.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

35C. Fair values of financial instruments

See Note 2A for accounting policy. The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

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35. Financial instruments: information on material accounting policy information and financial risks (Continued)

35D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure ECL allowance on financial assets the ECL allowance. On initial recognition, a day-1 loss is recorded equal to the 12 months ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the group applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents disclosed in Note 22 are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

35E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity within twelve months after at the end of the reporting year.

The following table analyses the financial liabilities at the end of the reporting year by remaining contractual maturity (contractual undiscounted cash flows):

Group	Less than 1 year \$'000	Between 2 – 5 years \$'000	Total \$'000
<u>2023:</u>			
Gross loans and borrowings	3,876	–	3,876
Gross lease liabilities	3,226	6,638	9,864
Trade and other payables	91,498	–	91,498
	98,600	6,638	105,238
<u>2022:</u>			
Gross loans and borrowings	6,838	–	6,838
Gross lease liabilities	1,761	4,573	6,334
Trade and other payables	47,240	–	47,240
	55,839	4,573	60,412

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

35. Financial instruments: information on material accounting policy information and financial risks (Continued)

35E. Liquidity risk – financial liabilities maturity analysis (Continued)

Company	Less than 1 year \$'000	Between 2 – 5 years \$'000	Total \$'000
<u>2023:</u>			
Gross lease liabilities	187	94	281
Trade and other payables	495	–	495
	682	94	776
<u>2022:</u>			
Gross lease liabilities	186	281	467
Trade and other payables	950	–	950
	1,136	281	1,417

The above table disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The average credit period taken to settle current trade payables is about 101 days (2022: 74 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments, the operating activities are expected to generate sufficient cash inflows.

35F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The interest from financial assets is not material.

The following table analyses the breakdown of the significant financial instruments (excluding derivatives) at the end of the reporting year by type of interest rate:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Financial liabilities:</u>				
Floating rates	8,322	5,741	276	452
Fixed rates	3,849	6,805	–	–
	12,171	12,546	276	452

The floating rate debt obligations are with interest rates that are re-set regularly at one, three or six months intervals. The interest rates are disclosed in Note 28.

The effect on pre-tax profit is not material.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

35. Financial instruments: information on material accounting policy information and financial risks (Continued)

35G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of amounts of financial assets and financial liabilities at the end of the reporting year denominated in non-functional currencies:

Group	United States Dollar	Chinese Renminbi	Thai Baht	Total
	\$'000	\$'000	\$'000	\$'000
<u>2023:</u>				
<u>Financial assets:</u>				
Cash and cash equivalents	45	284	755	1,084
Loans and receivables	–	1,198	298	1,496
Total financial assets	<u>45</u>	<u>1,482</u>	<u>1,053</u>	<u>2,580</u>
<u>Financial liabilities:</u>				
Trade and other payables	–	(6,998)	(3,950)	(10,948)
Lease liabilities	–	(488)	(3,356)	(3,844)
Loans and borrowings	–	–	(3,849)	(3,849)
Total financial liabilities	<u>–</u>	<u>(7,486)</u>	<u>(11,155)</u>	<u>(18,641)</u>
Net financial assets / (liabilities)	<u>45</u>	<u>(6,004)</u>	<u>(10,102)</u>	<u>(16,061)</u>
<u>2022:</u>				
<u>Financial assets:</u>				
Cash and cash equivalents	257	968	3,176	4,401
Loans and receivables	–	1,225	319	1,544
Total financial assets	<u>257</u>	<u>2,193</u>	<u>3,495</u>	<u>5,945</u>
<u>Financial liabilities:</u>				
Trade and other payables	–	(5,544)	(2,508)	(8,052)
Lease liabilities	–	(1,224)	(4,065)	(5,289)
Loans and borrowings	–	–	(3,895)	(3,895)
Total financial liabilities	<u>–</u>	<u>(6,768)</u>	<u>(10,468)</u>	<u>(17,236)</u>
Net financial assets / (liabilities)	<u>257</u>	<u>(4,575)</u>	<u>(6,973)</u>	<u>(11,291)</u>

Company	United States Dollar	
	2023	2022
	\$'000	\$'000
<u>Financial assets:</u>		
Cash and cash equivalents	<u>45</u>	<u>257</u>

There is exposure to foreign currency risk as part of the group's normal business.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

35. Financial instruments: information on material accounting policy information and financial risks (Continued)

35G. Foreign currency risk (Continued)

Sensitivity analysis:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the following currencies with all other variables held constant would have a favourable / (adverse) effect on profit before income tax of				
- United States Dollar	(4)	(26)	(4)	(26)
- Chinese Renminbi	601	457	-	-
- Thai Baht	1,010	697	-	-

The above table shows sensitivity to a hypothetical percentage variation in the functional currencies against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the group has significant exposure at end of the reporting year. The analysis above has been carried out without taking into consideration hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

36. Events after the end of the reporting year

On 9 January 2024, a subsidiary, BIGL Technologies (Thailand) Co., Ltd. ("BIGL Thailand"), entered into a sale agreement with Kasikorn Factory and Equipment Co., Ltd. ("KBank") where BIGL Thailand had agreed to sell certain machines (the "Assets") to KBank in the amount of approximately Thai Baht 200 million (approximately \$7.6 million), and also consequently entered into a lease agreement with KBank where KBank had agreed to lease the Assets to BIGL Thailand.

37. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued amendment to SFRS 1 and Practice Statement 2 on disclosures of material accounting policy and other explanatory information. Immaterial information need not be disclosed. Disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc). In addition, the ASC issued certain new or revised financial reporting standards. None had material impact on the group. Those applicable to the group are listed below.

SFRS(I) No.	Title
SFRS(I) 1-8	Definition of Accounting Estimates – Amendments

NOTES TO THE FINANCIAL STATEMENTS

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38. New or amended standards in issue but not yet effective

For the future reporting years the ASC issued certain new or revised financial reporting standards. Those applicable to the group for future reporting years are listed below.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 1-21	The effects of Changes in Foreign Exchange Rates (amendments) Lack of Exchangeability	1 January 2025

The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Share
Number of Issued Shares	:	471,914,611
Number and percentage of Treasury Shares	:	17,258,150 (3.66%)
Number of Issued Shares (less Treasury Shares)	:	454,656,461
Number and percentage of Subsidiary Holdings*	:	Nil

* "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") as shares referred to in Section 21(4), (4B), (6A) and (6C) of the Companies Act 1967 of Singapore.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	25	1.36	823	0.00
100 – 1,000	45	2.45	24,166	0.00
1,001 – 10,000	707	38.53	3,754,690	0.83
10,001 – 1,000,000	1,029	56.08	74,290,764	16.34
1,000,001 and above	29	1.58	376,586,018	82.83
TOTAL	1,835	100.00	454,656,461	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	Total Interest	% ⁽¹⁾
Lau Leok Yee	60,672,142	13.34	90,317,468 ⁽²⁾	19.87	150,989,610	33.21
Lew Syn Pau	44,572,639	9.80	1,402,600 ⁽³⁾	0.31	45,975,239	10.11

Notes:

- (1) Percentage is calculated based on total issued shares of the Company less treasury shares and subsidiary holdings (i.e. 454,656,461).
- (2) Mdm Lau Leok Yee is the beneficial owner of the 90,317,468 ordinary shares held by Citibank Nominees Singapore Pte Ltd.
- (3) Mr Lew Syn Pau is the beneficial owner of the 1,402,600 ordinary shares held by DBS Nominees (Private) Limited.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	93,262,974	20.51
2	LAU LEOK YEE	60,672,142	13.34
3	PHILLIP SECURITIES PTE LTD	49,260,991	10.83
4	LEW SYN PAU	44,572,639	9.80
5	MAYBANK SECURITIES PTE. LTD.	16,742,729	3.68
6	DBS NOMINEES (PRIVATE) LIMITED	15,735,309	3.46
7	RAFFLES NOMINEES (PTE.) LIMITED	15,431,723	3.39
8	HSBC (SINGAPORE) NOMINEES PTE LTD	12,025,000	2.64
9	CHUA KENG LOY	11,050,000	2.43
10	BON SIAN HWANG	10,172,000	2.24
11	UMS HOLDINGS LIMITED	6,657,300	1.46
12	UOB KAY HIAN PRIVATE LIMITED	5,507,833	1.21
13	LAM SENG HANG LTD	5,470,000	1.20
14	OCBC SECURITIES PRIVATE LIMITED	3,754,426	0.83
15	IFAST FINANCIAL PTE. LTD.	3,437,500	0.76
16	LIM SEOW CHIANG	2,200,000	0.48
17	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	2,052,000	0.45
18	ANG BAN SIONG	2,000,000	0.44
19	YEO LAY SUAN ANGELA	1,789,800	0.39
20	TOH ONG TIAM	1,690,500	0.37
	TOTAL	363,484,866	79.91

PUBLIC SHAREHOLDING

Based on the information available to the Company as at 18 March 2024, approximately 56.42% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the SGX-ST is complied with.

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of Broadway Industrial Group Limited (the “**Company**”) will be held at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on **Thursday, 25 April 2024 at 10.30 a.m.** (Singapore time) for the purpose of considering and, if thought fit, passing the following resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2023 and the Independent Auditor’s Report thereon. **[Resolution 1]**
2. To declare a final ordinary dividend of 0.5 Singapore cents per share for the financial year ended 31 December 2023. **[Resolution 2]**
3. To re-elect Mr Lew Syn Pau who is retiring as a Director pursuant to Regulation 94 of the Company’s Constitution and who, being eligible, offers himself for re-election. **[Resolution 3]**
[See Explanatory Note (a)]
4. To re-elect Dr Teo Ho Pin who is retiring as a Director pursuant to Regulation 94 of the Company’s Constitution and who, being eligible, offers himself for re-election. **[Resolution 4]**
[See Explanatory Note (b)]
5. To approve the payment of Directors’ fees of up to S\$465,000 (payable quarterly in arrears) for the financial year ending 31 December 2024. **[Resolution 5]**
6. To re-appoint Messrs RSM SG Assurance LLP as Auditors and to authorise the Directors to fix its remuneration. **[Resolution 6]**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without any modifications:

7. **Authority to Issue Shares**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”), Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the Constitution of the Company, the Directors of the Company be and are hereby authorised to:

- (a) (i) issue shares in the capital of the Company (“**Shares**” and each a “**Share**”) whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such person(s) as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in sub-paragraph (2) below). Unless prior Shareholder approval is required under the Listing Manual of the SGX-ST, an issue of treasury shares will not require further Shareholder approval, and will not be included in the aforementioned limits;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (i) new Shares arising from the conversion or exercise of convertible securities;
 - (ii) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) such authority, unless revoked or varied by the Company at a general meeting, shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (c)]

[Resolution 7]

8. Authority to issue Shares under the BIGL Share Option Scheme 2022

That the Directors be and are hereby authorised to offer and grant options in accordance with the rules of the BIGL Share Option Scheme 2022 (the "**Scheme**") and pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the exercise of the options under the Scheme, provided that the aggregate number of Shares issued and issuable in respect of all options granted under the Scheme and all outstanding options or awards granted under such other share-based incentive schemes or plans of the Company shall not exceed 15% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note (d)]

[Resolution 8]

9. Authority to Issue Shares under the BIGL Share Plan 2022

That the Directors be and are hereby authorised to grant awards in accordance with the rules of the BIGL Share Plan 2022 (the "**Plan**") and pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of awards under the Plan, provided that the aggregate number of Shares issued and issuable in respect of all Awards granted under the Plan and all outstanding options or awards granted under such other share-based incentive schemes or plans of the Company shall not exceed 15% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note (e)]

[Resolution 9]

NOTICE OF ANNUAL GENERAL MEETING

10. Authority to renew Share Buy-Back Mandate

That:

- (a) for the purposes of the Companies Act, the authority conferred on the Directors of the Company to exercise all the powers of the Company:
- (i) to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
 - (aa) on-market purchase(s) on the SGX-ST transacted through the SGX-ST trading system (each an **"On-Market Purchase"**); and/or
 - (bb) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act (each an **"Off-Market Purchase"**),and otherwise in accordance with the Companies Act and all other laws and regulations and rules of the SGX-ST as may for the time being be applicable (the **"Share Buy-Back Mandate"**); and
 - (ii) to deal with the Shares acquired or purchased by the Company under the Share Buy-Back Mandate in accordance with the Constitution of the Company (as amended or modified from time to time), whether to:
 - (aa) deem such Shares as cancelled upon acquisition or purchase;
 - (bb) hold such Shares as treasury shares; and/or
 - (cc) otherwise deal with such Shares in the manner provided and to the fullest extent permitted under the Companies Act,be and is hereby approved generally and unconditionally;
- (b) the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next AGM of the Company is held or required by law to be held;
 - (ii) the date on which purchases and acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Company at a general meeting;
- (c) in this Resolution:
- "Average Closing Market Price"** means the average of the closing market prices of the Shares over the last five (5) days on which the SGX-ST is open for trading of securities (**"Market Days"**), on which transactions in the Shares were recorded, before the date of the On-Market Purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five (5)-day period and the day on which the purchases are made;

NOTICE OF ANNUAL GENERAL MEETING

“**date of the making of the offer**” means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“**Maximum Limit**” means the number of Shares representing 10% of the total number of Shares as at the date of the passing of this Resolution (excluding any treasury shares that may be held by the Company from time to time); unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered after such capital reduction. Any Shares which are held as treasury shares will be disregarded for the purposes of computing the 10% limit;

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commissions, applicable goods and services tax and other related expenses) to be paid for a Share, which shall not exceed:

- (i) in the case of an On-Market Purchase, 5% above the Average Closing Market Price; and
 - (ii) in the case of an Off-Market Purchase, 20% above the Average Closing Market Price; and
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary or expedient to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (f)]

[Resolution 10]

By Order of the Board

Ho Yu Han, Genevieve

Chan Wan Mei

Joint Company Secretaries

Singapore

5 April 2024

Explanatory Notes to Resolutions:

- (a) **Resolution 3** is to re-elect Mr Lew Syn Pau who will, upon re-election, continue to serve as the Non-Independent Non-Executive Chairman of the Company and a Member of the Audit Committee, the Nomination Committee and the Remuneration Committee. Detailed information on Mr Lew can be found in the “Board of Directors & Management” and “Additional Information on Directors Seeking Re-election” sections of the Company’s Annual Report.
- (b) **Resolution 4** is to re-elect Dr Teo Ho Pin who will, upon re-election, continue to serve as an Independent Director of the Company, the Chairman of the Nomination Committee and a Member of the Audit Committee and the Remuneration Committee. Dr Teo is considered an Independent Director of the Company. Detailed information on Dr Teo can be found in the “Board of Directors & Management” and “Additional Information on Directors Seeking Re-election” sections of the Company’s Annual Report.
- (c) **Resolution 7** is to empower the Directors of the Company from the date of the above AGM until the next AGM to issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings) of which the total number of Shares and convertible securities issued other than on a *pro rata* basis to existing shareholders shall not exceed 20% of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, for such purposes as they consider would be in the interests of the Company. Rule 806(3) of the Listing Manual of the SGX-ST provides that the Company’s total number of issued shares (excluding treasury shares and subsidiary holdings) for this purpose shall be the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed (after adjusting for new Shares arising from the conversion or exercise of convertible securities or share options in issue at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company’s shares).
- (d) **Resolution 8** is to empower the Directors of the Company to issue from time to time fully-paid Shares as may be required to be issued pursuant to the exercise of the options under the Scheme, provided that the aggregate number of Shares issued and issuable in respect of all options granted under the Scheme and all outstanding options or awards granted under such other share-based incentive schemes or plans of the Company shall not exceed 15% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.
- (e) **Resolution 9** is to empower the Directors of the Company to issue from time to time fully-paid Shares as may be required to be issued pursuant to the vesting of awards under the Plan, provided that the aggregate number of Shares issued and issuable in respect of all Awards granted under the Plan and all outstanding options or awards granted under such other share-based incentive schemes or plans of the Company shall not exceed 15% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

NOTICE OF ANNUAL GENERAL MEETING

- (f) **Resolution 10** is to empower the Directors of the Company to buy-back ordinary shares of the Company by way of On-Market Purchases and/or Off-Market Purchases of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the Maximum Price, as defined in the Appendix to the Notice of AGM (the "**Appendix**").

The Company intends to use its internal sources of funds and external borrowings to finance its purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

Based on the total number of issued Shares as at 18 March 2024 (the "**Latest Practicable Date**"), the purchase by the Company of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of 45,465,646 Shares.

Assuming that the Company purchases or acquires the 45,465,646 Shares at the Maximum Price on the Latest Practicable Date, the maximum amount of funds required is approximately:

- (i) in the case of On-Market Purchases of Shares, S\$5.0 million based on S\$0.111 for each Share (being the price equivalent to 5% above the Average Closing Market Price of the Shares traded on the SGX-ST over the last five (5) Market Days preceding the Latest Practicable Date); and
- (ii) in the case of Off-Market Purchases of Shares, S\$5.8 million based on S\$0.127 for each Share (being the price equivalent to 20% above the Average Closing Market Price of the Shares traded on the SGX-ST over the last five (5) Market Days preceding the Latest Practicable Date).

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Buy-Back Mandate on the audited financial statements of the Group for the financial year ended 31 December 2023, based on certain assumptions, are set out in Paragraph 2.7.3 of the Appendix. Please refer to the Appendix for more information.

Notes:

1. The AGM will be held in a wholly physical format at the venue, date and time stated above. **There will be no option for members to participate virtually.** Printed copies of the Annual Report for the financial year ended 31 December 2023 (save for this Notice of AGM and the accompanying Proxy Form for the AGM) will not be sent to members. Instead, the Annual Report will be sent to members by electronic means via publication on the Company's website at <https://bw-grp.com/publications>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>. Members may request for a printed copy of the Annual Report by completing and submitting the Request Form accompanying the printed copies of this Notice of AGM and the Proxy Form sent by post to members, by **18 April 2024**.
2. Members may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by **5.00 p.m. on 15 April 2024**:
 - (a) if submitted by post, be lodged at the Company's registered address at 202 Kallang Bahru, #07-01 Spaze, Singapore 339339; or
 - (b) if submitted electronically, be submitted via email to ir@bigl.com.sg.

Members who submit questions must provide the following information:

 - (i) their full name;
 - (ii) their NRIC/FIN/Passport/Company Registration Number;
 - (iii) their address; and
 - (iv) the manner in which they hold shares in the Company (e.g. via CDP, CPF or SRS).

The Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing the responses to those questions on the SGX website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://bw-grp.com/> by 18 April 2024. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them at the AGM.
3. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.
4.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
 - (c) "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.
 - (d) A member can appoint the Chairman of the Meeting as his/her/its proxy. However, this is not mandatory.
5. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS members, and who wish to appoint a proxy(ies), should approach the relevant intermediary (which would include, in the case of CPF and SRS members, their respective CPF Agent Banks or SRS Operators) to submit their votes by **5.00 p.m. on 15 April 2024**.
6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the Company's registered office at 202 Kallang Bahru, #07-01 Spaze, Singapore 339339;
 - (b) if submitted electronically, be submitted via email to ir@bigl.com.sg, in either case, by **10.30 a.m. on 22 April 2024**, being no later than 72 hours before the time fixed for the AGM.

NOTICE OF ANNUAL GENERAL MEETING

7. A proxy need not be a member of the Company.
8. The Company's Annual Report has been published on the Company's website and may be accessed at <https://bw-grp.com/publications> and is also made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following table sets out the additional information on Directors seeking re-election at the Annual General Meeting pursuant to Rule 720(6) of the SGX-ST's Listing Manual:

Name of Director	Lew Syn Pau	Teo Ho Pin
Date of appointment	2 November 2011	17 May 2021
Date of last re-appointment (if applicable)	27 April 2022	27 April 2022
Age	70	64
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board had considered the Nomination Committee's recommendation and assessment on Mr Lew's background, experience, independence and commitment in the discharge of his duties as a Director of the Company, and is satisfied that he will continue to contribute to the Board.	The Board had considered the Nomination Committee's recommendation and assessment on Dr Teo's background, experience, independence and commitment in the discharge of his duties as a Director of the Company, and is satisfied that he will continue to contribute to the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title	<ul style="list-style-type: none"> • Non-Independent Non-Executive Chairman • Member, Audit Committee • Member, Nomination Committee • Member, Remuneration Committee 	<ul style="list-style-type: none"> • Independent Director • Chairman, Nomination Committee • Member, Audit Committee • Member, Remuneration Committee
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • Financial adviser and independent company director in various listed entities 	<ul style="list-style-type: none"> • 2023 – Present: Chairman, Traditional Chinese Medicine Practitioners Board • 2020 – Present: Senior Advisor, Surbana Technologies Private Limited • 2020 – Present: Visiting Professor, Singapore University of Technology and Design • 2017 – Present: Adjunct Professor, National University of Singapore • 2022 – Present: Adjunct Professor, Singapore University of Social Sciences • 1999 – Present: President, Building and Estate Management Alumni, NUS • 2014 – 2015: Chairman, Mayor's Committee • 2011 – 2015: Deputy Government Whip • 2006 – 2020: Co-ordinating Chairman, PAP Town Councils • 2001 – 2020: Mayor of North West District • 2001 – 2020: Chairman, Holland-Bukit Panjang Town Council • 1996 – 2020: Member of Parliament for Bukit Panjang Constituency • 2004 – 2022: Vice-Chairman, Singapore Environment Council

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Lew Syn Pau	Teo Ho Pin
Shareholding interest in the listed issuer and its subsidiaries	45,975,239 ordinary shares in the Company	265,100 ordinary shares in the Company
Familial relationship with any director and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Directorships – Past (for the last 5 years)	<ul style="list-style-type: none"> • Independent Director, Golden Energy and Resources Limited • Independent Director, Golden-Agri Resources Ltd • Independent Director, Sinarmas Land Limited • Independent Chairman, SUTL Enterprise Limited 	Nil
Other Directorships – Present	<ul style="list-style-type: none"> • Director, BIGL Korea Co., Ltd. • Director, BIGL Robotics Pte. Ltd. • Director, BIGL Enterprises (Singapore) Pte. Ltd. • Director, BIGL Holdings Pte. Ltd. • Director, BIGL Asia Pacific Limited • Director, BIGL Asia Pte. Ltd. • Director, Oldham Sophia Investments Pte. Ltd. • Director, Oldham Alpha Investments Pte. Ltd. • Director, Stanbridge International Investments Limited • Director, Stanbridge Enterprise Limited 	<ul style="list-style-type: none"> • Independent Chairman, Tiong Seng Holdings Limited • Lead Independent Director, Enviro-Hub Holdings Ltd. • Independent Director, ISOteam Ltd. • Independent Director, King Wan Corporation Limited
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST's Listing Manual	Mr Lew's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST's Listing Manual are all "No".	Dr Teo's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST's Listing Manual are all "No".

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

If you have any doubt as to the action you should take, you should consult your stockbroker or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Broadway Industrial Group Limited, you should immediately forward the Notice of Annual General Meeting and this Appendix to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited ("SGX-ST") assumes no responsibility for the correctness of any of the statements made or opinions expressed in the Annual Report, the Notice of Annual General Meeting and this Appendix.



BROADWAY INDUSTRIAL GROUP LIMITED

(Company Registration Number: 199405266K)

(Incorporated in Singapore)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 5 APRIL 2024 IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

1. INTRODUCTION

- 1.1. Summary.** The Directors (the "**Directors**") of Broadway Industrial Group Limited (the "**Company**") are convening an annual general meeting to be held on 25 April 2024 (the "**AGM**") to seek, among other matters, the approval of the shareholders¹ of the Company ("**Shareholders**") for the renewal of the mandate (the "**Share Buy-Back Mandate**") enabling the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company (the "**Shares**").
- 1.2. Appendix.** The purpose of this Appendix is to provide Shareholders with information relating to the proposal for the renewal of the Share Buy-Back Mandate, to be tabled at the AGM.

2. THE RENEWAL OF THE SHARE BUY-BACK MANDATE

- 2.1. Background.** Shareholders had approved the renewal of the share buy-back mandate (the "**Existing Share Buy-Back Mandate**") at the annual general meeting of the Company held on 26 April 2023 (the "**2023 AGM**"). The authority and limitations of the Existing Share Buy-Back Mandate were set out in the circular dated 6 April 2023 issued prior to the 2023 AGM. The Existing Share Buy-Back Mandate was expressed to continue in force until the next annual general meeting of the Company and, as such, will be expiring on 25 April 2024, being the date of the AGM. It is proposed that the Existing Share Buy-Back Mandate be renewed at the AGM. This proposal will be tabled as an Ordinary Resolution for Shareholders' approval at the AGM.
- 2.2. Rationale.** The Share Buy-Back Mandate will give the Company the flexibility to undertake purchases or acquisitions of its Shares at any time, subject to market conditions, during the period that the Share Buy-Back Mandate is in force. Share purchases or acquisitions provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. Furthermore, it allows the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves.

The proposed Share Buy-Back Mandate will also give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued.

¹ Refers to registered holders of the Shares, except that where the registered holder is The Central Depository (Pte) Limited ("**CDP**"), the term "**Shareholders**" shall, in relation to such Shares, mean the persons to whose securities accounts maintained with CDP are credited with the Shares.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

The Shares which are purchased or acquired under the Share Buy-Back Mandate may be held as treasury shares which may be used for prescribed purposes such as selling treasury shares for cash, transferring them as consideration for the acquisition of assets or transferring them pursuant to an employees' share scheme. The use of treasury shares in lieu of issuing new Shares will also mitigate the dilution impact on existing Shareholders.

Whilst the Share Buy-Back Mandate will authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or affect the listing status of the Company on the SGX-ST.

2.3. Authority and Limitations. The authority and limitations on the purchase or acquisition of Shares by the Company under the Share Buy-Back Mandate are summarised below:

2.3.1. Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than 10% of the total number of Shares (excluding treasury shares and subsidiary holdings²) as at the date of the AGM unless the Company has, at any time during the Relevant Period (as defined in paragraph 2.3.2 below), reduced its share capital in accordance with the applicable provisions of the Companies Act 1967 of Singapore (the "**Companies Act**"), in which event the total number of Shares shall be taken to be the total number of Shares as altered after such capital reduction. Under the Companies Act, any subsidiary holdings and any Shares which are held as treasury shares shall be disregarded for the purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 454,656,461 Shares (being 471,914,611 Shares excluding 17,258,150 treasury shares and there being no subsidiary holdings) as at 18 March 2024, being the latest practicable date prior to the publication of this Appendix (the "**Latest Practicable Date**") and assuming that between the Latest Practicable Date and the date of the AGM (i) no new Shares are issued, (ii) no further Shares are repurchased by the Company and cancelled or held as treasury shares and (iii) no treasury shares are cancelled or used by the Company for any of the prescribed purposes, then not more than 45,465,646 Shares (representing 10% of the total number of Shares as at that date, excluding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate during the period when the Share Buy-Back Mandate is in force as set out in paragraph 2.3.2 below.

2.3.2. Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM, at which the Share Buy-Back Mandate is approved, up to:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held ("**Relevant Period**");
- (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied,

whichever is the earliest.

² "**Subsidiary holdings**" is defined in the Listing Manual of the SGX-ST ("**Listing Manual**") to mean shares referred to in Section 21(4), (4B), (6A) and (6C) of the Companies Act.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

2.3.3. Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

- (i) on-market purchases ("**On-Market Purchases**"); and/or
- (ii) off-market purchases ("**Off-Market Purchases**").

On-Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme ("**equal access scheme**") or schemes for the purchase or acquisition of Shares from Shareholders pursuant to Section 76C of the Companies Act. The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded: (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain, *inter alia*:

- (A) the terms and conditions of the offers;
- (B) the period and procedures for acceptances;
- (C) the reasons for the proposed Share purchases;
- (D) the consequences, if any, of Share purchases by the Company that will arise under The Singapore Code on Take-overs and Mergers (the "**Take-over Code**") or other applicable take-over rules;
- (E) whether the Share purchases, if made, would have any effect on the listing of the equity securities on the SGX-ST;
- (F) the details of any Share purchases made by the Company in the previous 12 months (whether by way of On-Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (G) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

2.3.4. Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the maximum purchase price (the “**Maximum Price**”) to be paid for the Shares as determined by the Directors must not exceed:

- (i) in the case of an On-Market Purchase, 5% above the Average Closing Market Price; and
- (ii) in the case of an Off-Market Purchase, 20% above the Average Closing Market Price.

For the above purposes:

“**Average Closing Market Price**” means the average of the closing market prices of the Shares over the last five (5) days on which the SGX-ST is open for trading of securities (“**Market Days**”), on which transactions in the Shares were recorded, before the date of the On-Market Purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five (5)-day period and the day on which the purchases are made; and

“**date of the making of the offer**” means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

- 2.4. Status of Purchased or Acquired Shares.** Under the Companies Act, the Shares purchased or acquired by the Company shall, unless held in treasury in accordance with Section 76H of the Companies Act, be deemed to be cancelled immediately on purchase or acquisition, and all rights and privileges attached to those Shares will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

The Company may decide to cancel Shares which have been purchased or acquired by the Company or hold such Shares as treasury shares, depending on whether it is in the interests of the Company to do so. It is presently intended by the Company that Shares which are purchased or acquired by the Company will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

- 2.5. Treasury Shares.** Under the Companies Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

2.5.1. Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of Shares. In the event that the Company holds more than 10% of the total number of its Shares as treasury shares, the Company shall dispose of or cancel the excess treasury shares in the manner set out under paragraph 2.5.3 below within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar of Companies may allow.

2.5.2. Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights. In addition, no dividend may be paid and no other distribution of the Company’s assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus Shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

2.5.3. Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of Shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

2.5.4. Under the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "Usage"). Such announcement must include details such as the date of the Usage, the purpose of the Usage, the number of treasury shares subject to the Usage, the number of treasury shares before and after the Usage, the percentage of the number of treasury shares subject to the Usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the Usage, and the value of the treasury shares subject to the Usage.

2.6. Source of Funds. In purchasing or acquiring Shares pursuant to the Share Buy-Back Mandate, the Company may only apply funds legally available for such purchase or acquisition in accordance with its Constitution and applicable laws. Under the Companies Act, any payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company's capital and/or profits. The Company may not purchase or acquire Shares on the SGX-ST for a consideration other than in cash or, in the case of an On-Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST. The Company intends to use internal sources of funds and external borrowings to finance purchases or acquisitions of its Shares. In considering the use of external funding, the Company will take into consideration the availability of external financing and the resulting impact on the prevailing gearing level of the Company and its subsidiaries (the "Group"). The Company will only exercise the Share Buy-Back Mandate in the interest of the Group without causing adverse financial impact to the Group. **In particular, the Company will have regard to any relevant financial covenants which are applicable to the Company or the Group under any agreements for banking and credit facilities which may be granted by a financial institution to the Company or the Group from time to time. The Company will not purchase or acquire any Shares if such purchases would lead to any breaches of the relevant financial covenants.**

2.7. Financial Effects. The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buy-Back Mandate will depend on, inter alia, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. The financial effects on the Group based on the audited financial statements of the Group for the financial year ended 31 December 2023 are based on the assumptions set out below.

2.7.1. Purchase or Acquisition Out of Capital and/or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

2.7.2. Maximum Price Paid for Shares Acquired or Purchased

Based on 454,656,461 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the purchase by the Company of 10% of such Shares will result in the purchase or acquisition of 45,465,646 Shares.

Assuming that the Company purchases or acquires the 45,465,646 Shares at the Maximum Price on the Latest Practicable Date, the maximum amount of funds required is approximately:

- (i) in the case of On-Market Purchases of Shares, S\$5.0 million based on S\$0.111 for each Share (being the price equivalent to 5% above the Average Closing Market Price of the Shares traded on the SGX-ST over the last five (5) Market Days preceding the Latest Practicable Date); and
- (ii) in the case of Off-Market Purchases of Shares, S\$5.8 million based on S\$0.127 for each Share (being the price equivalent to 20% above the Average Closing Market Price of the Shares traded on the SGX-ST over the last five (5) Market Days preceding the Latest Practicable Date).

2.7.3. For illustrative purposes only, on the basis of the assumptions set out above as well as the following:

- (i) the Share Buy-Back Mandate had been effective on 1 January 2023;
- (ii) the purchase of Shares took place at the beginning of the financial year on 1 January 2023;
- (iii) there was no issuance of Shares after the Latest Practicable Date; and
- (iv) the Share purchases were funded entirely by internal resources,

the financial effects on the audited financial statements of the Group for the financial year ended 31 December 2023 would have been as follows:

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

Purchases made entirely out of capital and cancelled

As at 31 December 2023

	Group		
	Before Share Buy-Back	After Share Buy-Back assuming On-Market Share Buy-Back ⁽⁵⁾	After Share Buy-Back assuming Off-Market Share Buy-Back ⁽⁶⁾
S\$'000			
Shareholders' Funds ⁽¹⁾	88,760	83,713	82,986
Net Assets ⁽²⁾	88,760	83,713	82,986
Current Assets	129,629	124,582	123,855
Current Liabilities	101,043	101,043	101,043
Total Borrowings	3,849	3,849	3,849
Cash and Cash Equivalents	33,901	28,854	28,127
Profit attributable to Owners of the Company	3,085	3,085	3,085
No. of issued Shares ('000)			
Ordinary Shares	471,915	426,449	426,449
Less: Treasury Shares	(17,258)	(17,258)	(17,258)
Less: Subsidiary holdings	–	–	–
No. of issued Shares (net of Treasury Shares)	454,657	409,191	409,191
Weighted average number of Shares	454,657	409,191	409,191
Financial Ratios			
Net Assets per Share (in cents) ⁽³⁾	19.52	20.46	20.28
Basic Earnings per Share (in cents) ⁽⁴⁾	0.68	0.75	0.75

Notes:

- (1) "Shareholders' Funds" represents the aggregate amount of share capital, treasury shares, capital reserve, share-based payment reserve, translation reserve and accumulated losses.
- (2) "Net assets" as disclosed above excludes non-controlling interests.
- (3) "Net assets per Share" equals Shareholders' Funds divided by number of Shares excluding treasury shares and subsidiary holdings.
- (4) "Basic earnings per Share" is calculated based on profit attributable to owners of the Company divided by the weighted average number of Shares, assuming the Share Buy-Back took place on 1 January 2023.
- (5) Assumes that the Company purchases the 45,465,646 Shares at the maximum price of S\$0.111 for one Share, which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 45,465,646 Shares is S\$5.0 million.
- (6) Assumes that the Company purchases the 45,465,646 Shares at the maximum price of S\$0.127 for one Share, which is 20% above the average closing price of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 45,465,646 Shares is S\$5.8 million.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

Purchases made entirely out of capital and held as treasury shares

As at 31 December 2023

	Group		
	Before Share Buy-Back	After Share Buy-Back assuming On-Market Share Buy-Back ⁽⁵⁾	After Share Buy-Back assuming Off-Market Share Buy-Back ⁽⁶⁾
S\$'000			
Shareholders' Funds ⁽¹⁾	88,760	87,713	82,986
Net Assets ⁽²⁾	88,760	83,713	82,986
Current Assets	129,629	124,582	123,855
Current Liabilities	101,043	101,043	101,043
Total Borrowings	3,849	3,849	3,849
Cash and Cash Equivalents	33,901	28,854	28,127
Profit attributable to Owners of the Company	3,085	3,085	3,085
No. of issued Shares ('000)			
Ordinary Shares	471,915	471,915	471,915
Less: Treasury Shares	(17,258)	(62,724)	(62,724)
Less: Subsidiary holdings	–	–	–
No. of issued Shares (net of Treasury Shares)	454,656	409,191	409,191
Weighted average number of Shares	454,656	409,191	409,191
Financial Ratios			
Net Assets per Share (in cents) ⁽³⁾	19.52	20.46	20.28
Basic Earnings per Share (in cents) ⁽⁴⁾	0.68	0.75	0.75

Notes:

- (1) "Shareholders' Funds" represents the aggregate amount of share capital, treasury shares, capital reserve, share-based payment reserve, translation reserve and accumulated losses.
- (2) "Net assets" as disclosed above excludes non-controlling interests.
- (3) "Net assets per Share" equals Shareholders' Funds divided by number of Shares excluding treasury shares and subsidiary holdings.
- (4) "Basic earnings per Share" is calculated based on profit attributable to owners of the Company divided by the weighted average number of Shares, assuming the Share Buy-Back took place on 1 January 2023.
- (5) Assumes that the Company purchases the 45,465,646 Shares at the maximum price of S\$0.111 for one Share, which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 45,465,646 Shares is S\$5.0 million.
- (6) Assumes that the Company purchases the 45,465,646 Shares at the maximum price of S\$0.127 for one Share, which is 20% above the average closing price of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 45,465,646 Shares is S\$5.8 million.

SHAREHOLDERS SHOULD NOTE THAT THE FOREGOING FINANCIAL EFFECTS ARE BASED ON THE AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 AND ARE FOR ILLUSTRATION ONLY. THE RESULTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 MAY NOT BE REPRESENTATIVE OF FUTURE PERFORMANCE.

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It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or acquire up to 10% of the total number of Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10%. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

- 2.8. Taxation.** Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.
- 2.9. Listing Status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10% of the total number of its issued shares (excluding treasury shares, subsidiary holdings, preference shares and convertible equity securities) in a class that is listed is held by public shareholders at all times. The “**public**”, as defined in the Listing Manual, are the persons other than the Directors, Chief Executive Officer, substantial shareholders or controlling shareholders (as defined in the Listing Manual) of a listed company and its subsidiaries, as well as associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, approximately 256,523,712 Shares, representing 56.42% of the total number of Shares (excluding treasury shares and subsidiary holdings), are in the hands of the public. Assuming that (i) the Company purchases its Shares up to the full 10% limit pursuant to the Share Buy-Back Mandate from the public (as defined in the Listing Rules); and (ii) all Shares purchased by the Company are held as treasury shares, the number of Shares in the hands of the public would be reduced to 211,058,066 Shares, representing 51.58% of the total number of Shares (excluding treasury shares and subsidiary holdings). Accordingly, the Company is of the view that there is a sufficient number of Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the proposed Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through On-Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases or acquisitions, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

- 2.10. Listing Rules.** The Listing Manual restricts a listed company from purchasing shares by way of on-market purchases at a price per share which is more than 5% above the “**average closing market price**”, being the average of the closing market prices of the shares over the last five (5) Market Days on which transactions in the shares were recorded, before the day on which the purchases were made, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made. The Maximum Price for a Share in relation to On-Market Purchases referred to in paragraph 2.3.4(i) above complies with this requirement. Although the Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of 20% above the Average Closing Market Price of a Share as the maximum price for a Share to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Rules do not expressly prohibit the purchase or acquisition of shares by a listed company during any particular time(s), because a listed company would be considered an “**insider**” in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase or acquire any Shares pursuant to the Share Buy-Back Mandate at any time after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, in line with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through On-Market Purchases during the period of one month before the announcement of the Company’s half year and full year financial statements.

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of the total number of Shares (excluding treasury shares and subsidiary holdings) are in the hands of the public. The “**public**”, as defined under the Listing Manual, are persons other than the Directors, Chief Executive Officer, substantial shareholders or controlling shareholders (as defined in the Listing Manual) of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

2.11. Reporting Requirements. The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of an On-Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement (which must be in the form prescribed by the Listing Manual) must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the number of subsidiary holdings, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of shares excluding treasury shares and excluding subsidiary holdings, the number of treasury shares held after the purchase and the number of subsidiary holdings held after the purchase.

2.12. Take-over implications. Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.12.1. Obligation to make a Take-over Offer

Under Rule 14 of the Take-over Code, a person will be required to make a general offer for a public company if:

- (a) he acquires 30% or more of the voting rights of the company; or
- (b) he holds between 30% and 50% of the voting rights of the company and he increases his voting rights in the company by more than 1% in any six (6)-month period.

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.12.2. Persons Acting in Concert

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed under the Take-over Code to be acting in concert, namely:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated company of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above companies for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts and any company controlled by any of the directors, their close relatives and related trusts).

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

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2.12.3. Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between (and including) 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between (and including) 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL (THE "SIC") AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

2.12.4. Shareholding interests of Ms Wong Yi Jia and parties acting in concert with her

Ms Wong Yi Jia is a Non-Independent Non-Executive Director of the Company. As at the Latest Practicable Date, Ms Wong Yi Jia and parties acting in concert with her, being her mother, Mdm Lau Leok Yee, and her uncles and aunts, Ms Hwang Bon Sian, Dr Wong Seung Tang, Mr Lau Huan Yeong and Ms Lau Seik Yee, have an aggregate interest (direct and deemed) in 171,694,410 Shares, representing approximately 37.76% of the total voting rights of the Company. The shareholdings of Ms Wong Yi Jia and parties acting in concert with her in the Company as at the Latest Practicable Date are set out in paragraph 2.12.8 of this Appendix.

Assuming that there is no change in the number of Shares held or deemed to be held by Ms Wong Yi Jia and parties acting in concert with her from the Latest Practicable Date, in the event that the Company undertakes Share Buy-Backs of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) within any six (6)-month period as permitted by the Share Buy-Back Mandate, the total shareholding interest of Ms Wong Yi Jia and parties acting in concert with her may be increased by more than 1% within a period of six (6) months as a result of the Share Buy-Backs undertaken by the Company. As a consequence, Ms Wong Yi Jia and parties acting in concert with her would prima facie be required to make a general offer for the Shares held by the other Shareholders under Rule 14 of the Take-over Code.

2.12.5. Conditions for exemption from having to make a take-over offer

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, Ms Wong Yi Jia and parties acting in concert with her will be exempted from the requirement to make an offer for the Shares held by the other Shareholders pursuant to Rule 14 of the Take-over Code as a result of the Company purchasing or acquiring the Shares pursuant to the Share Buy-Back Mandate, subject to the following conditions:

- (a) this Appendix contains advice to the effect that by voting for the adoption of the Share Buy-Back Mandate, Shareholders are waiving their right to a general offer at the required price from Ms Wong Yi Jia and parties acting in concert with her who, as a result of the Company buying back its Shares, would increase their voting rights by more than 1% in any period of six (6) months, and the names of Ms Wong Yi Jia and parties acting in concert with her, their voting rights at the time of the resolution relating to the Share Buy-Back Mandate (which is the date of the AGM) and after the proposed Share Buy-Back are disclosed in this Appendix;

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

- (b) the resolution to authorise the Share Buy-Back Mandate is approved by a majority of those Shareholders present and voting at the AGM on a poll who could not become obliged to make an offer for the Company as a result of the Share Buy-Back;
- (c) Ms Wong Yi Jia and parties acting in concert with her shall abstain from voting for, and Ms Wong Yi Jia shall abstain from recommending Shareholders to vote in favour of, the resolution relating to the Share Buy-Back Mandate;
- (d) within seven (7) days after the passing of the resolution relating to the Share Buy-Back Mandate, Ms Wong Yi Jia shall submit to the SIC a duly signed form as prescribed by the SIC; and
- (e) Ms Wong Yi Jia and parties acting in concert with her have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposed adoption of the Share Buy-Back Mandate is imminent and the earlier of:
 - i. the date on which the authority of the Share Buy-Back Mandate expires; and
 - ii. the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the AGM or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with those purchased or acquired by the Company under the Share Buy-Back Mandate, would cause their aggregate voting rights to increase by more than 1% in the preceding six (6) months.

As such, if the aggregate voting rights held by Ms Wong Yi Jia and parties acting in concert with her increase by more than 1% solely as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate, and none of them has acquired any Shares during the relevant six (6)-month period, then Ms Wong Yi Jia and parties acting in concert with her would be eligible for the exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buy back its Shares and the increase in the aggregate voting rights held by Ms Wong Yi Jia and parties acting in concert with her as a result of the Share Buy-Back at such time is less than 1% in any six (6)-month period, Ms Wong Yi Jia and parties acting in concert with her may acquire further voting Shares in the Company. However, any increase in their percentage voting rights as a result of the Share Buy-Back will be taken into account together with any voting Shares acquired by Ms Wong Yi Jia and parties acting in concert with her (by whatever means) in determining whether Ms Wong Yi Jia and parties acting in concert with her have increased their aggregate voting rights in the Company by more than 1% in any six (6)-month period.

2.12.6. Advice to Shareholders

Shareholders should note that by voting to approve the Share Buy-Back Mandate, they are waiving their right to a take-over offer by Ms Wong Yi Jia and parties acting in concert with her in the circumstances set out above. Such a take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the higher of (a) the highest price (excluding related expenses) paid by Ms Wong Yi Jia and parties acting in concert with her for any Shares within the preceding six (6) months and (b) the highest price paid by the Company for its shares in the preceding six (6) months.

Save as disclosed above, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate.

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Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any Share Buy-Back should consult the SIC and/or their professional advisers at the earliest opportunity.

2.12.7. Form 2 Submission to the SIC

Form 2 (Submission by Directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a Director and persons acting in concert with him pursuant to the conditions for exemption (see condition (d) of paragraph 2.12.5 above headed "Conditions for exemption from having to make a take-over offer") from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its share buy-back mandate.

As at the Latest Practicable Date, Ms Wong Yi Jia has informed the Company that she will be submitting a Form 2 to the SIC within seven (7) days after the passing of the resolution relating to the Share Buy-Back Mandate.

2.12.8. Voting Rights of Ms Wong Yi Jia and Persons Acting in Concert with her before and after Share Buy-Back

Based on the shareholdings of Ms Wong Yi Jia and parties acting in concert with her as at the Latest Practicable Date, and assuming that:

- (a) there is no change in their direct holdings of Shares between the Latest Practicable Date and the date of the resolution to be passed in relation to the Share Buy-Back Mandate (being the date of the AGM); and
- (b) no new Shares are issued by the Company between the Latest Practicable Date and the date of the resolution to be passed in relation to the Share Buy-Back Mandate (being the date of the AGM), the respective holdings of Shares of Ms Wong Yi Jia and parties acting in concert with her as at the date of the resolution to be passed in relation to the Share Buy-Back Mandate (being the date of the AGM) and after the purchase or acquisition by the Company of 10% of the total number of Shares (excluding treasury shares and subsidiary holdings) pursuant to the Share Buy-Back Mandate are as follows:

	Before the Share Buy-Back (as at the date of AGM)		After the Share Buy-Back	
	Number of Shares	% of total Shares ⁽¹⁾	Number of Shares	% of total Shares ⁽²⁾
Ms Wong Yi Jia	–	–	–	–
Mdm Lau Leok Yee	150,989,610	33.21%	150,989,610	36.90%
Ms Hwang Bon Sian	10,172,000	2.24%	10,172,000	2.49%
Dr Wong Seung Tang	10,000,000	2.20%	10,000,000	2.44%
Ms Lau Seik Yee	531,000	0.12%	531,000	0.13%
Mr Lau Huan Yeong	1,800	n.m. ⁽³⁾	1,800	n.m. ⁽³⁾

Notes:

- (1) As a percentage of 454,656,461 Shares (excluding 17,258,150 treasury shares) in issue as at the Latest Practicable Date. There are no subsidiary holdings in the Company.
- (2) As a percentage of 409,190,815 Shares (assuming that the Company purchases the maximum number of 45,465,646 Shares under the Share Buy-Back Mandate).
- (3) Not meaningful

2.13. Particulars of Shares Purchased in the Past Year

No purchases of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

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3. DIRECTORS' RECOMMENDATION

For the reasons set out in paragraph 2.2 above, the Directors (other than Ms Wong Yi Jia) are of the opinion that the Share Buy-Back Mandate is in the interests of the Company. They accordingly recommend that Shareholders vote in favour of the Share Buy-Back Mandate at the AGM.

Ms Wong Yi Jia (in accordance with the conditions referred to in paragraph 2.12.5(c) above), has abstained from making any recommendation to Shareholders on the Share Buy-Back Mandate.

4. VOTING RESTRICTIONS

In accordance with the conditions referred to in paragraph 2.12.5(c) above, Ms Wong Yi Jia and parties acting in concert with her will abstain from voting on the resolution relating to the proposed renewal of the Share Buy-Back Mandate at the AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate, and the Company and its subsidiaries which are relevant to the proposed renewal of the Share Buy-Back Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

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PROXY FORM
Annual General Meeting

BROADWAY INDUSTRIAL GROUP LIMITED

(Company Registration Number: 199405266K)
(Incorporated in Singapore)

IMPORTANT:

- The Annual General Meeting ("AGM") will be held in a wholly physical format at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075. **There will be no option for shareholders to participate virtually.** The Notice of AGM, with the accompanying Proxy Form, and the Company's Annual Report for the financial year ended 31 December 2023 have been made available to members by electronic means via publication on the Company's website at <https://bw-grp.com/publications>, as well as on the SGX website at <https://www.sgx.com/securities/company-announcements>.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies).**

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2024.

I/We, _____ (Name) _____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a member/members of **Broadway Industrial Group Limited** (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her, the Chairman of the AGM, as my/our proxy/proxies, to attend, speak and vote for me/us on my/our behalf, at the AGM of the Company to be held at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on **Thursday, 25 April 2024 at 10.30 a.m.** (Singapore time) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM in the following manner:

No.	Resolutions relating to:	For*	Against*	Abstain*
As Ordinary Business				
1	To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023 and the Independent Auditor's Report thereon			
2	To declare a final ordinary dividend of 0.5 Singapore cents per share for the financial year ended 31 December 2023			
3	To re-elect Mr Lew Syn Pau who is retiring as a Director pursuant to Regulation 94 of the Company's Constitution and eligible for re-election			
4	To re-elect Dr Teo Ho Pin who is retiring as a Director pursuant to Regulation 94 of the Company's Constitution and eligible for re-election			
5	To approve the payment of Directors' fees of up to S\$465,000 (payable quarterly in arrears) for the financial year ending 31 December 2024			
6	To re-appoint Messrs RSM SG Assurance LLP as Auditors and to authorise the Directors to fix their remuneration			
As Special Business				
7	To authorise Directors to issue shares			
8	To authorise Directors to issue shares under the BIGL Share Option Scheme 2022			
9	To authorise Directors to issue shares under the BIGL Share Plan 2022			
10	To authorise Directors to renew the Share Buy-Back Mandate			

* Voting will be conducted by poll. If you wish your proxy/proxies to vote all your shares "For" or "Against" a resolution, please indicate with an "X" or a "√" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the relevant number of shares as appropriate. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" or "√" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the relevant number of shares as appropriate.

Dated this _____ day of _____ 2024

Total Number of Shares Held

Signature or Common Seal of Member(s)



Notes:

1. This Proxy Form may be accessed at the Company's website at <https://bw-grp.com/publications> as well as at the SGX website at <https://www.sgx.com/securities/company-announcements>.
2. Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.
3. Unless a lesser number of shares is specified by the member on the Proxy Form itself, the instrument appointing a proxy(ies) shall be deemed to relate to all the shares held by the member in the account for which this Proxy Form was issued.
4.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
 - (c) "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
 - (d) A member can appoint the Chairman of the Meeting as his/her/its proxy. However, this is not mandatory.
5. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF and SRS members, and who wish to appoint a proxy(ies), should approach the relevant intermediary (which would include, in the case of CPF and SRS members, their respective CPF Agent Banks or SRS Operators) to submit their votes by **5.00 p.m. on 15 April 2024**.
6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the Company's registered office at 202 Kallang Bahru, #07-01 Spaze, Singapore 339339; or
 - (b) if submitted electronically, be submitted via email to ir@bigl.com.sg, in either case, by **10.30 a.m. on 22 April 2024**, being no later than 72 hours before the time fixed for the AGM.
7. A proxy need not be a member of the Company.
8. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. Members are strongly encouraged to submit completed Proxy Forms electronically via email.
9. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy(ies) is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
10. The Company shall be entitled to reject an instrument appointing or treated as appointing a proxy(ies) if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing or treated as appointing a proxy(ies) (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing or treated as appointing a proxy(ies) lodged or submitted if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.



BROADWAY INDUSTRIAL GROUP LIMITED

Company Registration No.: 199405266K

202 Kallang Bahru #07-01 Spaze Singapore 339339

Tel : (65) 6236 0088