



Spindex Industries Limited  
(Incorporated in the Republic of Singapore)  
(Registration No. 198701451M)

Condensed Interim Financial Statements  
For 6 months and full year ended 30 June 2022

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**A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	GROUP		Increase/ (Decrease) %	GROUP		Increase/ (Decrease) %
		6 mths ended 30 Jun 2022 \$'000	6 mths ended 30 Jun 2021 \$'000		12 mths ended 30 Jun 2022 \$'000	12 mths ended 30 Jun 2021 \$'000	
<b>Revenue</b>	4	97,532	106,071	(8.1)	206,009	204,935	0.5
<b>Cost of sales</b>		(77,327)	(82,205)	(5.9)	(164,745)	(156,950)	5.0
<b>Gross profit</b>		20,205	23,866	(15.3)	41,264	47,985	(14.0)
Other income		2,035	1,733	17.4	4,335	3,458	25.4
Reversal/(Impairment loss) on trade receivables		-	(8)	NM	8	(190)	NM
Distribution and selling expenses		(1,945)	(2,041)	(4.7)	(3,811)	(3,779)	0.8
Administrative expenses		(9,258)	(10,363)	(10.7)	(19,494)	(21,946)	(11.2)
<b>Profit from operations</b>		11,037	13,187	(16.3)	22,302	25,528	(12.6)
Financial expenses		(236)	(118)	100.0	(403)	(193)	108.8
Share of loss in joint venture		(56)	(159)	(64.8)	(120)	(250)	(52.0)
<b>Profit before tax</b>	5	10,745	12,910	(16.8)	21,779	25,085	(13.2)
Income tax expense	6	(2,443)	(1,231)	98.5	(4,621)	(3,815)	21.1
<b>Profit for the year</b>		8,302	11,679	(28.9)	17,158	21,270	(19.3)
<b>Other comprehensive income:</b>							
Foreign currency translation		(2,159)	1,165	NM	(646)	1,950	NM
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		6,143	12,844	(52.2)	16,512	23,220	(28.9)
<b>Earnings per share attributable to owners of the Company (cents per share)</b>							
- Basic		7.20	10.12		14.87	18.44	
- Diluted		7.20	10.12		14.87	18.44	

Note : NM = Not meaningful

## B. Condensed Interim Statements of Financial Position

	Note	GROUP		COMPANY	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	91,668	77,662	373	508
Right-of-use assets		7,706	9,074	178	179
Deferred tax assets		394	351	-	-
Investment in subsidiaries		-	-	43,815	33,039
Investment in joint venture		1,311	1,431	1,681	1,681
		<u>101,079</u>	<u>88,518</u>	<u>46,047</u>	<u>35,407</u>
<b>Current assets</b>					
Inventories		41,521	39,496	3,230	1,728
Trade receivables		39,619	39,960	5,142	7,318
Other receivables and deposits		1,768	2,116	108	132
Prepayments		2,315	5,804	24	63
Due from subsidiaries (non-trade)		-	-	641	367
Due from subsidiaries (trade)		-	-	18	17
Cash and cash equivalents		45,639	43,891	14,176	6,773
		<u>130,862</u>	<u>131,267</u>	<u>23,339</u>	<u>16,398</u>
<b>Current liabilities</b>					
Trade payables		20,293	29,443	137	168
Other payables and accruals		25,617	24,111	3,664	3,941
Refund liabilities		2,267	2,446	1,610	1,556
Provision for defects		1,703	1,293	-	-
Due to subsidiaries (trade)		-	-	6,416	5,565
Loans and borrowings	10	11,507	2,002	11,507	657
Lease liabilities		1,367	1,557	92	92
Provision for tax		906	238	-	-
		<u>63,660</u>	<u>61,090</u>	<u>23,426</u>	<u>11,979</u>
<b>Net current assets / (liabilities)</b>		<u>67,202</u>	<u>70,177</u>	<u>(87)</u>	<u>4,419</u>
<b>Non-current liabilities</b>					
Loans and borrowings	10	3,212	4,491	3,212	4,491
Lease liabilities		741	1,803	87	87
Deferred tax liabilities		5,020	4,430	7	7
Provision for restoration costs		206	190	-	-
		<u>9,179</u>	<u>10,914</u>	<u>3,306</u>	<u>4,585</u>
<b>Net assets</b>		<u>159,102</u>	<u>147,781</u>	<u>42,654</u>	<u>35,241</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	12	13,145	13,145	13,145	13,145
Reserves		145,957	134,636	29,509	22,096
<b>Total equity</b>		<u>159,102</u>	<u>147,781</u>	<u>42,654</u>	<u>35,241</u>

### C. Condensed Interim Consolidated Statement of Cash Flows

	<b>GROUP</b>	
	<b>12 mths ended 30 Jun 2022 \$'000</b>	<b>12 mths ended 30 Jun 2021 \$'000</b>
<b>Operating activities</b>		
Profit before tax	21,779	25,085
Adjustments for:		
Depreciation of property, plant and equipment	11,605	9,709
Depreciation of right-of-use assets	1,821	1,289
Gain on disposal of property, plant and equipment	(29)	(53)
Interest expense	275	58
Interest expense - lease liabilities	128	136
Interest income	(327)	(334)
Write-down/(write-back) of inventories	692	(81)
(Reversal)/Impairment loss on trade receivables	(8)	190
Provision for defects	794	1,042
Write-back of provision for defects	(375)	(709)
Share of loss in joint venture	120	250
Unrealised exchange loss	570	587
<b>Operating cash flows before changes in working capital</b>	<b>37,045</b>	<b>37,169</b>
(Increase)/decrease in:		
Inventories	(2,701)	(15,170)
Trade receivables	348	(18,515)
Other receivables and deposits	173	(981)
Prepayments	3,488	(2,415)
Increase/(decrease) in:		
Trade payables	(9,332)	14,673
Other payables and accruals	(3,970)	9,974
Deferred government grant	-	(133)
<b>Cash flows from operations</b>	<b>25,051</b>	<b>24,602</b>
Income taxes paid	(3,299)	(2,806)
Interest paid	(223)	(56)
Interest received	327	334
<b>Net cash flows generated from operating activities</b>	<b>21,856</b>	<b>22,074</b>
<b>Investing activities</b>		
Investment in joint venture	-	(1,681)
Purchase of property, plant and equipment	(22,094)	(30,491)
Proceeds from disposal of property, plant and equipment	995	81
<b>Net cash flows used in investing activities</b>	<b>(21,099)</b>	<b>(32,091)</b>
<b>Financing activities</b>		
Dividend paid on ordinary shares	(5,191)	(3,230)
Repayment of principal obligations under lease liabilities	(1,834)	(1,375)
Proceed from loans and borrowings	14,067	6,344
Repayment of loans and borrowings	(6,170)	(54)
<b>Net cash flows generated from financing activities</b>	<b>872</b>	<b>1,685</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,629</b>	<b>(8,332)</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>43,891</b>	<b>51,188</b>
<b>Currency alignment on opening cash balances</b>	<b>119</b>	<b>1,035</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>45,639</b>	<b>43,891</b>

#### D. Condensed Interim Statements of Changes in Equity

Group	Attributable to owners of the Company					Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Reserve fund \$'000	Accumulated profits \$'000	Total reserves \$'000	
As at 1 July 2020	13,145	(10,088)	6,173	118,561	114,646	127,791
Net profit for the year	-	-	-	21,270	21,270	21,270
Other comprehensive income for the year	-	1,950	-	-	1,950	1,950
Total comprehensive income for the year	-	1,950	-	21,270	23,220	23,220
Appropriation to/(from) reserve fund/ accumulated profits	-	-	824	(824)	-	-
Dividend on ordinary shares	-	-	-	(3,230)	(3,230)	(3,230)
At 30 June 2021 and 1 July 2021	13,145	(8,138)	6,997	135,777	134,636	147,781
Net profit for the year	-	-	-	17,158	17,158	17,158
Other comprehensive income for the year	-	(646)	-	-	(646)	(646)
Total comprehensive income for the year	-	(646)	-	17,158	16,512	16,512
Dividend on ordinary shares	-	-	-	(5,191)	(5,191)	(5,191)
At 30 June 2022	13,145	(8,784)	6,997	147,744	145,957	159,102

Company	Attributable to owners of the Company			Total equity \$'000
	Share capital \$'000	Accumulated profits \$'000	Total reserves \$'000	
At 1 July 2020	13,145	18,552	18,552	31,697
Net profit for the year	-	6,774	6,774	6,774
Total comprehensive income for the year	-	6,774	6,774	6,774
Dividend on ordinary shares	-	(3,230)	(3,230)	(3,230)
At 30 June 2021 and 1 July 2021	13,145	22,096	22,096	35,241
Net profit for the year	-	12,604	12,604	12,604
Total comprehensive income for the year	-	12,604	12,604	12,604
Dividend on ordinary shares	-	(5,191)	(5,191)	(5,191)
At 30 June 2022	13,145	29,509	29,509	42,654

## **E. Notes to the Condensed Interim Consolidated Financial Statements**

### **1. Corporate information**

Spindex Industries Limited (the “Company”) is a limited liability company, incorporated in Singapore and is listed on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the 6 months and 12 months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are to carry on the business as importer, exporter and dealer of mechanical, electrical and electronic parts. The principal activities of the subsidiaries are manufacturing and trading of mechanical, electrical, electronic parts, precision machine parts and other engineering materials.

### **2. Basis of preparation**

#### **2.1 *Basis of preparation***

The condensed interim consolidated financial statements for the 6 months and 12 months ended 30 June 2022 of the Group have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2021.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$), which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (\$’000) except otherwise indicated.

#### **2.2 *Adoption of new and amended standards and interpretations***

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s and the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 July 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

#### **2.3 *Use of judgments and estimates***

The preparation of the Group’s condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Management is of the opinion that there is no significant judgement made in applying accounting policies.

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

## **2. Basis of preparation (cont'd)**

### **2.3 Use of judgments and estimates (cont'd)**

#### *Provision for expected credit losses of trade receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

## **3. Seasonal operations**

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



#### 4. Revenue and Segment Information

(a) *Disaggregation of revenue*

	Imaging and printing		Machinery and automotive systems		Consumer product and others*		Total Revenue	
	6 mths ended 30 Jun 2022	6 mths ended 30 Jun 2021	6 mths ended 30 Jun 2022	6 mths ended 30 Jun 2021	6 mths ended 30 Jun 2022	6 mths ended 30 Jun 2021	6 mths ended 30 Jun 2022	6 mths ended 30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Primary geographical markets</b>								
China	464	7,258	28,332	34,898	738	994	29,534	43,150
Singapore	19	38	622	726	300	442	941	1,206
ASEAN (excluding Singapore)	17,280	16,920	618	566	6,420	5,009	24,318	22,495
USA, Europe and others	38	76	14,014	12,117	28,687	27,027	42,739	39,220
	17,801	24,292	43,586	48,307	36,145	33,472	97,532	106,071
<b>Timing of transfer of goods</b>								
At a point in time	17,801	24,292	43,586	48,307	36,145	33,472	97,532	106,071

\*Others – include data storage, telecommunications and others

4. Revenue and Segment Information (cont'd)

(a) Disaggregation of revenue (cont'd)

	Imaging and printing		Machinery and automotive systems		Consumer product and others*		Total Revenue	
	12 mths ended 30 Jun 2022	12 mths ended 30 Jun 2021	12 mths ended 30 Jun 2022	12 mths ended 30 Jun 2021	12 mths ended 30 Jun 2022	12 mths ended 30 Jun 2021	12 mths ended 30 Jun 2022	12 mths ended 30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Primary geographical markets</b>								
China	2,664	14,501	65,878	67,264	1,477	1,758	70,019	83,523
Singapore	53	63	1,065	1,422	708	791	1,826	2,276
ASEAN (excluding Singapore)	35,123	33,369	1,295	852	12,685	10,567	49,103	44,788
USA, Europe and others	291	91	26,642	24,102	58,128	50,155	85,061	74,348
	38,131	48,024	94,880	93,640	72,998	63,271	206,009	204,935
<b>Timing of transfer of goods</b>								
At a point in time	38,131	48,024	94,880	93,640	72,998	63,271	206,009	204,935

\*Others – include data storage, telecommunications and others

#### 4. Revenue and Segment Information (cont'd)

##### (b) Business Segments

	Imaging and Printing		Machinery and automotive systems		Consumer product and others*		Adjustments and eliminations		Group	
	6 mths ended 30 Jun 2022	6 mths ended 30 Jun 2021	6 mths ended 30 Jun 2022	6 mths ended 30 Jun 2021	6 mths ended 30 Jun 2022	6 mths ended 30 Jun 2021	6 mths ended 30 Jun 2022	6 mths ended 30 Jun 2021	6 mths ended 30 Jun 2022	6 mths ended 30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>										
External customers	17,801	24,292	43,586	48,307	36,145	33,472	-	-	97,532	106,071
Inter-segment	350	1,410	11,297	9,178	5,643	4,285	(17,290)	(14,873)	-	-
Total revenue	18,151	25,702	54,883	57,485	41,788	37,757	(17,290)	(14,873)	97,532	106,071
Segment profit	3,685	5,456	9,080	10,866	7,440	7,544	-	-	20,205	23,866
Distribution and selling expenses	(356)	(468)	(872)	(930)	(717)	(643)	-	-	(1,945)	(2,041)
Reversal of/(impairment) loss on trade receivables	-	8	-	7	-	(23)	-	-	-	(8)
Unallocated other income									2,035	1,733
Unallocated expenses									(9,258)	(10,363)
Operating profit									11,037	13,187
Financial expenses									(236)	(118)
Share of loss in joint venture									(56)	(159)
Income tax expense									(2,443)	(1,231)
Net profit									8,302	11,679
<b>Assets</b>										
Trade receivables	5,487	8,879	21,465	23,598	12,667	7,483	-	-	39,619	39,960
Unallocated assets	-	-	-	-	-	-	-	-	192,322	179,825
Total assets									231,941	219,785
<b>Liabilities</b>										
Provision for defects	315	303	784	590	604	400	-	-	1,703	1,293
Unallocated liabilities	-	-	-	-	-	-	-	-	71,136	70,711
Total liabilities									72,839	72,004
<b>Other segment information</b>										
Depreciation of plant and machinery	827	889	2,031	1,767	1,669	1,223	-	-	4,527	3,879
Unallocated depreciation of other assets	-	-	-	-	-	-	-	-	1,363	1,213
Depreciation expense for the financial period									5,890	5,092

\* Others – include data storage, telecommunications and others

4. Revenue and Segment Information (cont'd)

(b) *Business Segments (cont'd)*

	Imaging and Printing		Machinery and automotive systems		Consumer product and others*		Adjustments and eliminations		Group	
	12 mths ended 30 Jun 2022	12 mths ended 30 Jun 2021	12 mths ended 30 Jun 2022	12 mths ended 30 Jun 2021	12 mths ended 30 Jun 2022	12 mths ended 30 Jun 2021	12 mths ended 30 Jun 2022	12 mths ended 30 Jun 2021	12 mths ended 30 Jun 2022	12 mths ended 30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>										
External customers	38,131	48,024	94,880	93,640	72,998	63,271	-	-	206,009	204,935
Inter-segment	1,284	2,216	23,715	19,645	10,410	4,615	(35,409)	(26,476)	-	-
Total revenue	39,415	50,240	118,595	113,285	83,408	67,886	(35,409)	(26,476)	206,009	204,935
Segment profit	7,631	11,245	19,038	21,926	14,595	14,814	-	-	41,264	47,985
Distribution and selling expenses	(705)	(886)	(1,755)	(1,727)	(1,351)	(1,166)	-	-	(3,811)	(3,779)
Reversal of/(impairment) loss on trade receivables	-	(19)	8	(83)	-	(88)	-	-	8	(190)
Unallocated other income									4,335	3,458
Unallocated expenses									(19,494)	(21,946)
Operating profit									22,302	25,528
Financial expenses									(403)	(193)
Share of loss in joint venture									(120)	(250)
Income tax expense									(4,621)	(3,815)
Net profit for the financial year									17,158	21,270
<b>Assets</b>										
Trade receivables	5,487	8,879	21,465	23,598	12,667	7,483	-	-	39,619	39,960
Unallocated assets	-	-	-	-	-	-	-	-	192,322	179,825
Total assets									231,941	219,785
<b>Liabilities</b>										
Provision for defects	315	303	784	590	604	400	-	-	1,703	1,293
Unallocated liabilities	-	-	-	-	-	-	-	-	71,136	70,711
Total liabilities									72,839	72,004
<b>Other segment information</b>										
Depreciation of plant and machinery	1,651	1,708	4,110	3,330	3,162	2,261	-	-	8,923	7,299
Unallocated depreciation of other assets	-	-	-	-	-	-	-	-	2,682	2,410
Depreciation expense for the financial year									11,605	9,709

\* Others – include data storage, telecommunications and others

#### 4. Revenue and Segment Information (cont'd)

##### (c) *Geographical segments*

The Group's geographical segments are based on the location of the Group's customers. Non-current assets and additions to property, plant and equipment and right-of-use assets are based on the location of those assets.

Revenue, non-current assets and capital expenditure information based on the geographical location of customers and assets respectively are as follows:

	<b>Group</b>					
	<b>Revenue</b>		<b>Non-current assets</b>		<b>Capital expenditure</b>	
	<b>12 mths ended 30 Jun 2022</b>	<b>12 mths ended 30 Jun 2021</b>	<b>12 mths ended 30 Jun 2022</b>	<b>12 mths ended 30 Jun 2021</b>	<b>12 mths ended 30 Jun 2022</b>	<b>12 mths ended 30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
China	70,019	83,523	47,726	30,713	22,963	12,273
Singapore	1,826	2,276	1,862	2,118	64	219
ASEAN (excludes Singapore)	49,103	44,788	51,491	55,687	4,546	17,999
USA, Europe and others	85,061	74,348	-	-	-	-
	<b>206,009</b>	<b>204,935</b>	<b>101,079</b>	<b>88,518</b>	<b>27,573</b>	<b>30,491</b>

A breakdown of sales:

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>12 mths ended 30 Jun 2022</b>	<b>12 mths ended 30 Jun 2021</b>	
	<b>\$'000</b>	<b>\$'000</b>	
Sales reported for first half year	108,477	98,864	9.7
Operating profit after tax reported for first half year	8,856	9,591	(7.7)
Sales reported for second half year	97,532	106,071	(8.1)
Operating profit after tax reporting for second half year	8,302	11,679	(28.9)

## 5. Profit before taxation

### 5.1 Significant items

	Group		Group	
	6 mths ended 30 Jun 2022 \$'000	6 mths ended 30 Jun 2021 \$'000	12 mths ended 30 Jun 2022 \$'000	12 mths ended 30 Jun 2021 \$'000
Sales of scrap	1,667	1,403	3,618	2,534
Interest income	181	138	327	334
Gain on disposal of property, plant and equipment	6	48	29	53
Government grants	7	49	10	241
Depreciation of property, plant and equipment	(5,890)	(5,092)	(11,605)	(9,709)
Depreciation of right-of-use assets	(919)	(745)	(1,821)	(1,289)
(Allowance)/ Write-back of inventories	2	(160)	(692)	81
Provision for defects	(598)	(589)	(794)	(1,042)
Write-back of provision for defects	117	555	375	709
Foreign exchange gain/(loss), net	1,562	419	1,128	(2,312)
Reversal of/(impairment) loss on trade receivables	-	(8)	8	(190)

### 5.2 Related party transactions

There are no material related party transactions between the Group and the related parties apart from those disclosed elsewhere in the financial statements.

## 6. Taxation

	Group		Group	
	6 mths ended 30 Jun 2022 \$'000	6 mths ended 30 Jun 2021 \$'000	12 mths ended 30 Jun 2022 \$'000	12 mths ended 30 Jun 2021 \$'000
Current income tax expense	2,310	1,268	4,082	2,920
Deferred income tax expense/(credit) relating to origination and reversal of temporary differences	133	(37)	539	895
	2,443	1,231	4,621	3,815

## 7. Dividends

	Group and Company	
	2022 \$'000	2021 \$'000
<b>Ordinary dividends paid:</b>		
Final exempt (one-tier) dividend of 4.50 cents (2021: 2.80 cents) per ordinary share in respect of the previous financial year	5,191	3,230

## 8. Net Asset Value

	Group		Company	
	30 Jun 2022 (cents)	30 Jun 2021 (cents)	30 Jun 2022 (cents)	30 Jun 2021 (cents)
Net asset value per ordinary share	137.91	128.10	36.97	30.55

Net asset value per ordinary share was based on 115,365,000 ordinary shares in issue as at 30 June 2022 (30 June 2021 : 115,365,000).

## 9. Property, plant and equipment

The assets acquired and disposed by the Group during the 6 months ended and full year ended 30 June 2022 are as follows:

	Group		Group	
	6 mths ended 30 Jun 2022 \$'000	6 mths ended 30 Jun 2021 \$'000	12 mths ended 30 Jun 2022 \$'000	12 mths ended 30 Jun 2021 \$'000
Additions	11,572	20,465	27,573	30,491
Disposals	(1,114)	(1,390)	(2,370)	(1,827)

The additions to property, plant and equipment of \$27,573,000 (2021: \$30,491,000) for the Group during financial year includes \$5,479,000 (2021: Nil) which remains unpaid as at year end.

## 10. Loans and borrowings

	Group		Company	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000	30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>Current:</b>				
Obligations under hire purchase arrangement	54	54	54	54
Bank loans				
- 2.00% p.a. fixed rate SGD bank loan	1,225	603	1,225	603
- 2.33% p.a. fixed rate SGD bank loan	6,022	-	6,022	-
- 2.59% p.a. fixed rate USD bank loan	4,206	-	4,206	-
- 1.00% p.a. fixed rate USD bank loan	-	1,076	-	-
- 1.05% p.a. fixed rate USD bank loan	-	269	-	-
	11,507	2,002	11,507	657
<b>Non-current:</b>				
Obligations under hire purchase arrangement	40	95	40	95
Bank loans				
- 2.00% p.a. fixed rate SGD bank loan	3,172	4,396	3,172	4,396
	3,212	4,491	3,212	4,491
Total loans and borrowings	14,719	6,493	14,719	5,148

## 10. Loans and borrowings (cont'd)

### 2% p.a. fixed rate SGD bank loan

The loan pertains to a Temporary Bridging Loan of \$5,000,000 that was granted by Enterprise Singapore since the last financial year. It bears fixed interest of 2% per annum and is repayable over a period of 5 years. This facility requires the Group to maintain a gearing ratio of not more than 125% and debt coverage ratio of not less than 120%.

### 2.33% and 2.59% p.a. fixed rate SGD and USD bank loans

The Group has bank loans that bear interest ranging 2.33% to 2.59% (30 June 2021:1.00% to 1.05%). The loans are repayable within the period of 6 months and allowed to rollover at then agreed interest rate.

### Obligations under hire purchase arrangement

The hire purchase obligation is secured by a charge over the motor vehicle. The obligation is denominated in SGD and the implicit discount rate is 2.28% (2021:2.28%) per annum.

## 11. Fair value measurement

### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset of liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset and liability

Fair value measurements that use inputs of different hierarchy levels are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### (b) Assets and liabilities measured at fair value

At the end of the reporting period, there are no financial instruments that are carried at fair value.

### (c) Assets and liabilities not measured at fair value, for which fair value is disclosed

The fair value of non-current liabilities which are not carried at fair value in the balance sheet is presented in the following table. The fair value is estimated using discounted cash flow analysis using discount rate that reflects the issuer's borrowing rate at the end of the reporting period.

	<b>Group and Company</b>			
	<b>2022</b>		<b>2021</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Obligations under hire purchase arrangement	40	40	95	92



**11. Fair value measurement (cont'd)**

**(d) Assets and liabilities are measured at fair value and whose carrying amounts are reasonable approximation of fair value**

Trade and other receivables and payables, amounts due from/(to) subsidiaries, cash and cash equivalents and loans and borrowings (current).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

**12. Share Capital**

	<b>Group and Company</b>	
	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Issued and fully paid		
At beginning and end of financial year		
- 115,365,000 ordinary shares	13,145	13,145

The total number of issued shares excluding treasury shares as at 30 June 2022 was 115,365,000 (30 June 2021: 115,365,000).

There were no sales, transfers, disposal, cancellation, and/or use of treasury shares for the financial year ended 30 June 2022.

There were no treasury shares as at 30 June 2022 and 30 June 2021.

The Company has no subsidiary holdings as at 30 June 2022.

**13. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## F. Other Information Required by Listing Rule Appendix 7.2

### 1. Review

The condensed consolidated statement of financial position of Spindex Industries Ltd and its subsidiaries as at 30 June 2022 and the related 6 months and 12 months condensed profit or loss and other comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for 12 months period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

The Spindex Group is an integrated solution provider of precision-machined components and assemblies for use in machinery & automotive systems, imaging & printing equipment and consumer product & others.

#### Revenue

The outbreak of conflict between Ukraine and Russia, COVID-19 lockdowns in China, particularly Shanghai, rising inflation and increase in interest rates globally, have dampened economic sentiments and disrupted the Group's supply chain in H2 FY2022.

Under geopolitical uncertainties and challenging economic conditions, the Group's revenue growth of 10% in H1 FY2022, reversed into a revenue drop of 8% to \$97.5 million in H2 FY2022. For the whole of FY2022, group revenue was \$206 million, a marginal increase of 0.5% over FY2021. Correspondingly, revenue for the Machinery and Automotive Systems business segment fell 10% to \$43.6 million in H2 FY2022, with both the Machinery and Automotive Systems sub-sectors registering lower revenue.

Revenue for the IP business sector was affected by overall slow demand on supply chain issues as well as a sharp reduction from a key customer related to poor product reception in the market. This contributed to the decline of 27% in revenue for the period. Consumer product and others experienced weaker demand but this was mitigated by some appliance products benefiting from front loading of orders to manage supply chain disruptions.

Revenue by Business Segment	H1 FY2022 S\$m (1)	H2 FY2022 S\$m (2)	H2 FY2021 S\$m (3)	Change (2 - 3) / (3) (%)
Machinery and Automotive Systems (MA)	51.3	43.6	48.3	-10%
Imaging & Printing (IP)	20.3	17.8	24.3	-27%
Consumer product and others (CP)	36.9	36.1	33.5	+8%
Total	108.5	97.5	106.1	-8%

#### Profitability

With growing inflation, material and manufacturing cost have increased in H2 FY2022. The COVID-19 lockdown in Shanghai resulted in operating inefficiencies, while group-wide labour shortages further contributed to cost increases. Amid lower revenue, gross profit declined 15% in H2 FY2022 and 14% for the full year FY2022. Driven by growing inflation globally, gross profit margin dropped from about 23% in FY2021, to about 20% in FY2022.

The Group's operational expenses comprise of distribution, selling and administrative expenses. Distribution and selling expenses have been relatively consistent. Although staff cost has increased, COVID-19 related expenses have fallen, the stronger US Dollar against Asian currencies resulted in a 11% decline in the reported administrative expenses for FY2022.

**2. Review of performance of the Group (cont'd)**

**Profitability (cont'd)**

Financial expenses have also risen in tandem with the higher bank borrowings. The lower losses incurred by the joint venture reflects the gradual stabilisation of the plastic injection moulding operations but volatility in raw material plastic resin prices will continue to affect profitability. With reinvestment allowances of the Malaysian plant fully utilised in prior period and higher taxes incurred for the Hanoi plant, tax expenses for the Group rose even though a lower profit before tax was recorded.

With lower gross profit and higher tax expenses, the net profit attributable to shareholders of the Company declined 29% to \$8.3 million in H2 FY2022 and 19% to \$17.2 million in FY2022.

**Cash Flow & Balance Sheet**

The Group's operations continued to generate healthy cash inflows for the twelve months ended 30 June 2022. Net cash inflows generated from operating activities totaled \$21.9 million, comparable to the \$22.1 million generated in the preceding period. Cash amounting to \$22.1 million and \$5.2 million were deployed for the purchase of property, plant and equipment, as well as for the payment of dividend respectively in FY2022. There was a net increase in cash and cash equivalent of \$1.6 million, taking the Group's cash position to a healthy \$45.6 million.

The continual construction of the Group's plant in Nantong, China increased the net book value of property, plant and equipment to \$91.7 million as at 30 June 2022, up from \$77.7 million 12 months ago. This expansion is partly supported by bank borrowings which rose to \$14.7 million at year end. Inventories and trade receivables were relatively stable, in line with the stable group revenue. The Group continued to maintain a strong balance sheet with a comfortable net cash position as at 30 June 2022.

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

The result is in line with the sentiments expressed in the prospect statement disclosed in the previous results announcement.

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

While most economies are opening up despite the COVID-19 situation globally, the Group continues to face a number of significant headwinds in the current financial year. The conflict in Ukraine and the increasing political tension between the major nations are major uncertainties for businesses. The rising inflation, interest rates, labour shortages and weakening demand could compress profit margin further and impact profitability.

The Group remains vigilant in the face of these challenges and will monitor market conditions closely so that appropriate actions may be taken on a timely basis. The Group is in a strong financial position during this period of market volatility and will continue to capitalise on opportunities by investing prudently to maximise production efficiency.

**5. Dividend information**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? Yes

<b>Name of dividend</b>	<b>Interim</b>	<b>Final</b>
Dividend type	-	Cash
Dividend rate per ordinary share	-	3.50 cents
Tax rate	-	Tax exempt (one-tier)

**(b) Corresponding Period of the Immediate Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

<b>Name of dividend</b>	<b>Interim</b>	<b>Final</b>
Dividend type	-	Cash
Dividend rate per ordinary share	-	4.50 cents
Tax rate	-	Tax exempt (one-tier)

**(c) Date payable**

The proposed dividends, if approved at the 35th Annual General Meeting to be held on 26 October 2022, will be paid on 18 November 2022.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Spindex Industries Limited (the "Company") will be closed on 9 November 2022 for the purpose of determining members' entitlements to the proposed final dividends of 3.50 cents per ordinary share for the financial year ended 30 June 2022 (the "**Proposed Final Dividends**").

Duly completed registrable transfers in respect of shares in the Company received up to the close of business at 5.00 p.m. on 8 November 2022 by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 will be registered to determine members' entitlements to the Proposed Final Dividends. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on 8 November 2022, will be entitled to the Proposed Final Dividends.

The Proposed Final Dividends, if approved at the forthcoming Annual General Meeting to be held on 26 October 2022, will be paid on 18 November 2022.

**6. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have an interested person transaction mandate.

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

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual .

**9. Disclosure of persons occupying a managerial positions in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there were no such persons, the issuer must make an appropriate negative statement.**

Disclosure of person occupying a managerial positions in Spindex Industries Limited (the 'Company') or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13) are as follows: -				
Name	Age	Family relationship with any director and/or Substantial Shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Choo Pie @ Tan Chang Chai	76	Father of Nicholas Tan Heok Ting and Granduncle of Foo Fang Haur	Executive Chairman of Spindex Industries Limited  Since 1989	No Change
Foo Fang Haur	47	Grandnephew of Tan Choo Pie @ Tan Chang Chai and Nephew of Nicholas Tan Heok Ting	Business Development Manager of Spindex Industries (Hanoi) Co., Ltd.  Since June 2005	No Change
Nicholas Tan Heok Ting	42	Son of Tan Choo Pie@ Tan Chang Chai and Uncle of Foo Fang Haur	Executive Director of Spindex Industries Limited since 1 May 2010.  Managing Director with effect from 1 July 2013	No Change

**BY ORDER OF THE BOARD**  
Tan Choo Pie @ Tan Chang Chai  
Chairman  
24 August 2022