

## SPINDEX INDUSTRIES LIMITED

(Registration No.: 198701451M)

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### DISPOSAL OF 70% OF THE ISSUED AND PAID UP SHARE CAPITAL OF SPINDEX ENERGY SERVICES PTE. LTD.

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#### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Spindex Industries Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 12 June 2015, entered into a sale and purchase agreement (the “**SPA**”) with JF Industries Pte. Ltd. (the “**JV Partner**”) and Pacific Oilfield Pte. Ltd. (the “**Purchaser**”), to dispose of its shareholding interest of three hundred and fifty thousand (350,000) ordinary shares, representing 70% of the issued and paid share capital (the “**Sale Shares**”) of Spindex Energy Services Pte. Ltd. (“**Spindex Energy**”), a subsidiary of the Company (“**Proposed Disposal**”).

#### 2. INFORMATION ON SPINDEX ENERGY

On 9 December 2013, the Company announced that it had entered into a joint venture agreement (“**Joint Venture Agreement**”) with JF Industries Pte Ltd, in relation to the establishment of Spindex Energy to carry out the business of Spindex Energy.

Spindex Energy has, as at the date of this announcement, a total issued and paid up share capital of S\$500,000 comprising 500,000 ordinary shares. As at the date of this announcement, the issued and paid up share capital of Spindex Energy is 70% held by the Company, and 30% held by JF Industries Pte. Ltd. (“**JF Industries**”).

Spindex Energy is principally engaged in this business of providing services of precision CNC machining in the oil and gas industry.

On 9 December 2013, the Company further announced that the parties entered into a convertible loan agreement in relation to the grant of a convertible loan facility in the aggregate principal amount of up to five million dollars (S\$5,000,000) by the Company to Spindex Energy (“**Convertible Loan**”).

Further details are set out in the announcements issued on 9 December 2013.

#### 3. CONSIDERATION

The consideration for the Sale Shares was S\$1,750,000 (the “**Sale Consideration**”), payable in cash.

In return for the Sale Consideration, the Company shall write-off the outstanding Convertible Loan owing to the Company by Spindex Energy, amounting to S\$3,826,916.66 (including accrued interest of S\$26,916.66 outstanding) as at the date of the SPA and the date of this announcement.

The Sale Consideration will be received by the Company in two (2) tranches, with the first tranche of S\$1,000,000 (“**Initial Tranche**”) to be paid on completion of the Proposed Disposal. The Proposed Disposal is expected to be completed on or prior to 24 July 2015, being the date falling six (6) weeks after the date of the SPA. The second tranche of S\$750,000 (“**Deferred Tranche**”) is to be paid on 11 December 2015, being the date falling six (6) months after the date of the SPA.

The Sale Consideration was arrived at on a willing-buyer willing seller basis, and was derived based on (a) the negative net asset value of Spindex Energy, (b) the current book value of Spindex Energy, and (c) the past performance of Spindex Energy.

Based on the Company’s latest announced financial statements for the half year ended 31 December 2014, the Company’s 70% interest in Spindex Energy carried a negative net book value of S\$419,178.

#### 4. NON-DISCLOSEABLE TRANSACTION

The relative figures computed on the bases set out in Rule 1006 of the SGX-ST Mainboard Rules (“**Listing Manual**”) are as follows:

<b>Rule 1006 of the Listing Manual</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value. This basis is not applicable to an acquisition of the assets.	-0.53% <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired, compared with the Group’s net profits.	-4.24% <sup>(2)</sup>
(c)	The aggregate value of the consideration given, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares <sup>(1)</sup> .	2.71%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(3)</sup>

Notes:

- (1) Based on the shareholding interest of 70% held by the Company in Spindex Energy.
- (2) The market capitalisation of the Company is approximately S\$64,604,400 which is calculated based on 115,365,000 shares in issue multiplied by the weighted average price of the shares of the Company on 11 June 2015, being S\$0.56.
- (3) No securities in the Company are proposed to be issued in consideration for the Proposed Disposal.

Rule 1007 of the Listing Manual provides that where any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 may still be applicable to the transaction at the discretion of the Exchange.

On 10 June 2015, the Company had submitted a written application to the Exchange to seek consultation on whether Chapter 10 of the Listing Manual is applicable to the Proposed Disposal.

## **5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or controlling shareholders of the Company has an interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholding interests, if any, in the Company.

### **BY ORDER OF THE BOARD**

Tan Choo Pie @ Tan Chang Chai  
Chairman  
12 June 2015