

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".



# SPINDEX INDUSTRIES LIMITED

## Full Year Financial Statement And Dividend Announcement for the Period Ended 30/6/2016

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

#### 1(a) An income statement for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

|   | Group                  |                        |               |
|---|------------------------|------------------------|---------------|
|   | S\$'000                |                        | %             |
|   | 12 - month<br>30/06/16 | 12 - month<br>30/06/15 | Change        |
| Turnover  | 124,188                | 114,182                | 8.8%          |
| Cost of sales   | (95,955)               | (86,843)               | 10.5%         |
| Gross profit  | 28,233                 | 27,339                 | 3.3%          |
| Other operating income                                | 1,603                  | 2,203                  | -27.2%        |
| Distribution and selling expenses                     | (2,375)                | (2,110)                | 12.6%         |
| Administrative expenses                               | (14,254)               | (10,789)               | 32.1%         |
| Loss on disposal of a subsidiary and loan written off | -                      | (1,415)                | NM            |
| <b>Profit from operations</b>                         | <b>13,207</b>          | <b>15,228</b>          | <b>-13.3%</b> |
| Financial expenses                                    | (167)                  | (13)                   | 1,184.6%      |
| <b>Profit before tax</b>                              | <b>13,040</b>          | <b>15,215</b>          | <b>-14.3%</b> |
| Income tax expense                                    | (2,935)                | (3,017)                | -2.7%         |
| <b>Net profit for the year</b>                        | <b>10,105</b>          | <b>12,198</b>          | <b>-17.2%</b> |
| <b>Other comprehensive income:</b>                    |                        |                        |               |
| Foreign currency translation                          | (3,730)                | (155)                  | 2,306.0%      |
| <b>Total comprehensive income for the year</b>        | <b>6,375</b>           | <b>12,043</b>          | <b>-47.1%</b> |
| <b>Profit attributable to:</b>                        |                        |                        |               |
| Owners of the Company                                 | 10,105                 | 12,434                 | -18.7%        |
| Non-controlling interest                              | -                      | (236)                  | NM            |
|   | <b>10,105</b>          | <b>12,198</b>          | <b>-17.2%</b> |
| <b>Total comprehensive income attributable to:</b>    |                        |                        |               |
| Owners of the Company                                 | 6,375                  | 12,279                 | -48.1%        |
| Non-controlling interest                              | -                      | (236)                  | NM            |
|   | <b>6,375</b>           | <b>12,043</b>          | <b>-47.1%</b> |

|  | Group    |          |          |
|--|----------|----------|----------|
|  | S\$'000  |          | %        |
|  | 30/06/16 | 30/06/15 | Change   |
| Interest income  | 63       | 123      | -48.8%   |
| Interest expense   | (167)    | (13)     | 1,184.6% |
| Depreciation of property, plant and equipment            | (5,913)  | (4,808)  | 23.0%    |
| Provision for restructuring cost                         | 1,500    | -        | NM       |
| Impairment of property, plant and equipment              | (651)    | -        | NM       |
| Deferred income  | 369      | 24       | 1,437.5% |
| (Write-down)/write-back of inventories                   | (166)    | 78       | NM       |
| Foreign exchange gain, net                               | 322      | 1,927    | -83.3%   |
| (Loss)/gain on disposal of property, plant and equipment | (1)      | 9        | NM       |
| Loss on disposal of a subsidiary and loan written off    | -        | (1,415)  | NM       |

Notes:

1. NM = Not Meaningful
2. Other operating income decreased by 27% mainly due to decrease in scrap income.
3. Interest expense increased by 1185% mainly due to interest incurred on new banking facility obtained by Shanghai plant.
4. Administrative expenses increased by 32% mainly due to provision for restructuring cost and lesser favourable exchange difference compared with previous year.
5. Net foreign exchange gain was mainly due to the appreciation of US dollar against the various Asian currencies.
6. Effective tax rate for the Group was higher at 23% mainly due to higher chargeable income in China plants and after offsetting lower tax rates for re-investment allowances deduction of chargeable income in Malaysia plant.

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

|                                   | GROUP               |                     | COMPANY             |                     |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | 30/06/16<br>S\$'000 | 30/06/15<br>S\$'000 | 30/06/16<br>S\$'000 | 30/06/15<br>S\$'000 |
| Share capital                     | 13,145              | 13,145              | 13,145              | 13,145              |
| Reserves                          | 74,298              | 71,153              | 10,601              | 19,088              |
| <b>Total equity</b>               | <b>87,443</b>       | <b>84,298</b>       | <b>23,746</b>       | <b>32,233</b>       |
| <b>Non-current assets</b>         |                     |                     |                     |                     |
| Property, plant and equipment     | 43,172              | 42,723              | 1,045               | 2,237               |
| Land use rights                   | 278                 | 293                 | -                   | -                   |
| Deferred tax assets               | 256                 | 281                 | -                   | -                   |
| Investment in subsidiaries        | -                   | -                   | 12,169              | 12,169              |
|                                   | 43,706              | 43,297              | 13,214              | 14,406              |
| <b>Current assets</b>             |                     |                     |                     |                     |
| Inventories                       | 18,311              | 17,518              | 1,911               | 2,547               |
| Trade receivables                 | 28,999              | 28,693              | 5,492               | 5,401               |
| Other receivables and deposits    | 1,461               | 2,548               | 9                   | 3,908               |
| Prepayments                       | 3,565               | 2,885               | 43                  | 75                  |
| Due from subsidiaries (trade)     | -                   | -                   | 1,022               | 1,943               |
| Due from subsidiaries (non-trade) | -                   | -                   | 372                 | 677                 |
| Fixed deposits                    | 756                 | 1,069               | 515                 | 512                 |
| Cash and cash equivalents         | 29,064              | 21,602              | 9,769               | 11,152              |
|                                   | 82,156              | 74,315              | 19,133              | 26,215              |
| <b>Current liabilities</b>        |                     |                     |                     |                     |
| Trade payables                    | 15,802              | 15,975              | 865                 | 2,265               |
| Other payables and accruals       | 15,215              | 13,471              | 4,571               | 3,097               |
| Provision for defects             | 1,038               | 1,153               | 198                 | 329                 |
| Due to subsidiaries (trade)       | -                   | -                   | 2,960               | 2,278               |
| Due to subsidiaries (non-trade)   | -                   | -                   | -                   | 43                  |
| Bank loans                        | 3,834               | 113                 | -                   | -                   |
| Provision for tax                 | 473                 | 192                 | -                   | -                   |
| Deferred capital grants           | -                   | 42                  | -                   | 42                  |
|                                   | 36,362              | 30,946              | 8,594               | 8,054               |
| <b>Net current assets</b>         | <b>45,794</b>       | <b>43,369</b>       | <b>10,539</b>       | <b>18,161</b>       |
| <b>Non-current liabilities</b>    |                     |                     |                     |                     |
| Deferred tax liabilities          | 1,916               | 1,910               | 7                   | 7                   |
| Provision for restoration costs   | 141                 | 131                 | -                   | -                   |
| Deferred capital grants           | -                   | 327                 | -                   | 327                 |
|                                   | 2,057               | 2,368               | 7                   | 334                 |
| <b>Net assets</b>                 | <b>87,443</b>       | <b>84,298</b>       | <b>23,746</b>       | <b>32,233</b>       |

Notes:

1. Stock increased by 5% mainly due to more stock holding of finished goods for subsequent month sales.
2. Other receivables and deposits decreased by 43% mainly due to receipt of \$1,750,000 arising from disposal of a subsidiary.
3. Prepayments increased by 24% mainly due to downpayments for capital expenditures on machineries.
4. Fixed deposits and cash and cash balances increased by 32% mainly due to improved collections.
5. Other payables and accruals increased by 13% mainly due to provision for restructuring costs as well more remaining payments for capital expenditure on machineries and staff bonuses.
6. Increase in bank loans mainly due to new bank loan obtained by Shanghai plant.
7. Deferred capital grants which relate to the government grants received on qualified capital expenditures has been written off to Profit and Loss upon the impairment on the property, plant and equipment.

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

**Amount repayable in one year or less, or on demand**

| As at 30/6/2016 |           | As at 30/6/2015 |           |
|-----------------|-----------|-----------------|-----------|
| Secured         | Unsecured | Secured         | Unsecured |
| S\$'000         | S\$'000   | S\$'000         | S\$'000   |
| 3,834           | -         | 113             | -         |

**Amount repayable after one year**

| As at 30/06/2016 |           | As at 30/6/2015 |           |
|------------------|-----------|-----------------|-----------|
| Secured          | Unsecured | Secured         | Unsecured |
| S\$'000          | S\$'000   | S\$'000         | S\$'000   |
| -                | -         | -               | -         |

**Details of any collateral**

The bank loan of S\$113,000 which is secured by the land & building of the Malaysia subsidiary and a corporate guarantee from the Company has been fully repaid in October 2015.

As at 30 June 2016, Shanghai plant utilised the amount of S\$3,834,000 bank facilities for its working capital needs. The bank loan is secured by its leasehold property and a corporate guarantee from the Company.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|   | <b>30/06/16<br/>S\$'000</b> | <b>30/06/15<br/>S\$'000</b> |
|---|-----------------------------|-----------------------------|
| <b>Operating activities</b>                                     |                             |                             |
| Profit before tax   | 13,040                      | 15,215                      |
| Adjustments for:  |                             |                             |
| Depreciation of property, plant and equipment                   | 5,913                       | 4,808                       |
| Amortisation of land use right                                  | 17                          | 15                          |
| Deferred income   | (369)                       | (24)                        |
| Loss/(gain) on disposal of property, plant and equipment        | 1                           | (9)                         |
| Loss on disposal of a subsidiary and loan written off           | -                           | 1,415                       |
| Interest expense  | 167                         | 13                          |
| Interest income   | (63)                        | (123)                       |
| Write down/(Reversal) of inventories                            | 166                         | (78)                        |
| Impairment of property, plant and equipment                     | 651                         | -                           |
| Provision for restructuring costs                               | 1,500                       | -                           |
| Provision for defects   | 799                         | 953                         |
| Reversal of provision for defects                               | (669)                       | (588)                       |
| Unrealised exchange (gain)/loss                                 | (884)                       | (276)                       |
| Operating cash flow before working capital changes              | 20,269                      | 21,321                      |
| (Increase) / decrease in:                                       |                             |                             |
| Inventories   | (933)                       | (4,796)                     |
| Trade receivables   | (306)                       | (6,279)                     |
| Other receivables and deposits                                  | 1,792                       | (188)                       |
| Prepayments   | (679)                       | (1,737)                     |
| (Decrease) / increase in:                                       |                             |                             |
| Trade payables  | (173)                       | 3,941                       |
| Other payables and accruals                                     | 50                          | 2,768                       |
| Cash flow from operations                                       | 20,020                      | 15,030                      |
| Income taxes paid   | (3,252)                     | (2,613)                     |
| Tax refund  | -                           | 298                         |
| Interest paid   | (167)                       | (13)                        |
| Interest received   | 63                          | 123                         |
| Net cash flows from operating activities                        | 16,664                      | 12,825                      |
| <b>Investing activities</b>                                     |                             |                             |
| Proceeds from sale of fixed assets                              | 2                           | 30                          |
| Proceeds from government grants                                 | -                           | 393                         |
| Purchase of property, plant and equipment                       | (9,251)                     | (14,508)                    |
| Net cash used in investing activities                           | (9,249)                     | (14,085)                    |
| <b>Financing activities</b>                                     |                             |                             |
| Proceeds from bank loans  | 3,834                       | -                           |
| Dividends paid on ordinary shares                               | (3,230)                     | (2,538)                     |
| Repayment of term loans   | (108)                       | (328)                       |
| Net cash flows generated from/(used in) financing activities    | 496                         | (2,866)                     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>7,911</b>                | <b>(4,126)</b>              |
| <b>Cash and cash equivalents at beginning of financial year</b> | <b>22,585</b>               | <b>26,240</b>               |
| <b>Currency alignment on opening cash balances</b>              | <b>(676)</b>                | <b>471</b>                  |
| <b>Cash and cash equivalents at end of financial year</b>       | <b>29,820</b>               | <b>22,585</b>               |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

|   | Share<br>Capital<br>S\$'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>S\$'000 | Reserve<br>Fund<br>S\$'000 | Accumulated<br>Profit<br>S\$'000 | Total<br>Reserves<br>S\$'000 | Non-<br>controlling<br>interest<br>S\$'000 | Total Equity<br>S\$'000 |
|---|-----------------------------|--|----------------------------|----------------------------------|------------------------------|--|-------------------------|
| <b>GROUP</b>  |                             |  |                            |                                  |                              |  |                         |
| At 30 June 2015   | 13,145                      | (4,475)  | 3,368                      | 72,260                           | 71,153                       | -  | 84,298                  |
| Total comprehensive<br>income for the financial year        | -                           | (3,730)  | -                          | 10,105                           | 6,375                        | -  | 6,375                   |
| Appropriation to/(from) reserve fund/<br>accumulated profit | -                           | -  | 498                        | (498)                            | -                            | -  | -                       |
| Dividends on ordinary shares                                | -                           | -  | -                          | (3,230)                          | (3,230)                      | -  | (3,230)                 |
| Reserve attributable to disposal<br>company                 | -                           | -  | -                          | -                                | -                            | -  | -                       |
| At 30 June 2016   | 13,145                      | (8,205)  | 3,866                      | 78,637                           | 74,298                       | -  | 87,443                  |
|   |                             |  |                            |                                  |                              |  |                         |
|   | Share<br>Capital<br>S\$'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>S\$'000 | Reserve<br>Fund<br>S\$'000 | Accumulated<br>Profit<br>S\$'000 | Total<br>Reserves<br>S\$'000 | Non-controlling<br>interest<br>S\$'000     | Total Equity<br>S\$'000 |
| <b>GROUP</b>  |                             |  |                            |                                  |                              |  |                         |
| At 30 June 2014   | 13,145                      | (4,320)  | 3,109                      | 62,623                           | 61,412                       | (48)                                       | 74,509                  |
| Total comprehensive<br>income for the financial year        | -                           | (155)  | -                          | 12,434                           | 12,279                       | (236)                                      | 12,043                  |
| Appropriation to/(from) reserve fund/<br>accumulated profit | -                           | -  | 259                        | (259)                            | -                            | -  | -                       |
| Dividends on ordinary shares                                | -                           | -  | -                          | (2,538)                          | (2,538)                      | -  | (2,538)                 |
| Reserve attributable to disposal<br>company                 | -                           | -  | -                          | -                                | -                            | 284  | 284                     |
| At 30 June 2015   | 13,145                      | (4,475)  | 3,368                      | 72,260                           | 71,153                       | -  | 84,298                  |

|  | Share Capital<br>S\$'000 | Accumulated<br>Profit<br>S\$'000 | Total Reserve<br>S\$'000 | Total Equity<br>S\$'000 |
|--|--------------------------|----------------------------------|--------------------------|-------------------------|
| <b><u>COMPANY</u></b>                                |                          |                                  |                          |                         |
| At 30 June 2015                                      | 13,145                   | 19,088                           | 19,088                   | 32,233                  |
| Total comprehensive<br>income for the financial year | -                        | (5,257)                          | (5,257)                  | (5,257)                 |
| Dividends on ordinary shares                         | -                        | (3,230)                          | (3,230)                  | (3,230)                 |
| At 30 June 2016                                      | 13,145                   | 10,601                           | 10,601                   | 23,746                  |

|  | Share Capital<br>S\$'000 | Accumulated<br>Profit<br>S\$'000 | Total Reserve<br>S\$'000 | Total Equity<br>S\$'000 |
|--|--------------------------|----------------------------------|--------------------------|-------------------------|
| <b><u>COMPANY</u></b>                                |                          |                                  |                          |                         |
| At 30 June 2014                                      | 13,145                   | 19,722                           | 19,722                   | 32,867                  |
| Total comprehensive<br>income for the financial year | -                        | 1,904                            | 1,904                    | 1,904                   |
| Dividends on ordinary shares                         | -                        | (2,538)                          | (2,538)                  | (2,538)                 |
| At 30 June 2015                                      | 13,145                   | 19,088                           | 19,088                   | 32,233                  |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any shares during the financial year ended 30 June 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

|  | <u>30/06/16</u> | <u>30/06/15</u> |
|--|-----------------|-----------------|
| The total number of issued shares (excluding treasury shares)      | 115,365,000     | 115,365,000     |
| There were no treasury shares as at 30 June 2016 and 30 June 2015. |                 |                 |

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the financial year ended 30 June 2016.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the current financial year as with those in the most recently audited financial statements as at 30 June 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current year, the Group has adopted all the new/revised Financial Reporting Standards which took effect for annual periods beginning on or after 1 July 2015. The adoption of the above FRS did not result in any substantial change in the Group's accounting policies.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

|   | <b>Latest period</b> | <b>Previous corresponding period</b> |
|---|----------------------|--------------------------------------|
|   | <b>30/06/16</b>      | <b>30/06/15</b>                      |
| Earnings per ordinary share for the year after deducting any provision for preference dividends:- | (cents)              | (cents)                              |
| (i) Based on weighted average number of ordinary shares in issue                                  | 8.76                 | 10.78                                |
| (ii) On a fully diluted basis   | 8.76                 | 10.78                                |

Basis earnings per share is computed based on the weighted average number of ordinary shares in issue of 115,365,000 (30 June 2015 : 115,365,000).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

|  | <b>Group</b>         |                                     | <b>Company</b>       |                                     |
|--|----------------------|-------------------------------------|----------------------|-------------------------------------|
|  | <b>Latest period</b> | <b>Immediately preceding period</b> | <b>Latest period</b> | <b>Immediately preceding period</b> |
|  | <b>30/06/16</b>      | <b>30/06/15</b>                     | <b>30/06/16</b>      | <b>30/06/15</b>                     |
| Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the year reported on | (cents)              | (cents)                             | (cents)              | (cents)                             |
|  | 75.80                | 73.07                               | 20.58                | 27.94                               |

Net asset value per ordinary share is computed on 115,365,000 ordinary shares in issue as at 30 June 2016 (30 June 2015 : 115,365,000).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

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

## Revenue

The general business environment in which the Group operates in remained competitive in FY 2016. Despite subdued business sentiments in the precision engineering industry, the Group achieved turnover growth of 9% from \$114.2 million in FY2015 to \$124.2 million in FY2016.

| Revenue by Business Sector            | FY2016<br>S\$m | FY2015<br>S\$m | Change<br>(%) |
|---------------------------------------|----------------|----------------|---------------|
| Machinery and Automotive Systems (MA) | 59.6           | 56.5           | + 6%          |
| Imaging & Printing (IP)               | 32.8           | 36.2           | (10%)         |
| Others                                | 31.8           | 21.5           | + 48%         |
| Total                                 | 124.2          | 114.2          | + 9%          |

As the Group continues to focus on supporting key customers, increase in allocations from projects of existing customers boosted the level of activities in the MA business sector. Driven by higher sales of both machine tools and automotive systems, turnover from MA rose 6% to \$59.6 million in FY2016.

However, due to the overall decline in demand from the imaging and printing industry, the Group recorded lower IP turnover of \$32.8 million. Under the "Others" category which includes the rest of the Group's businesses, turnover rose significantly by 48% to \$31.8 million. The substantial increase was mainly attributed to the commencement of mass production for new projects in domestic appliances.

## Profitability

With higher turnover, gross profit rose to \$28.2 million while gross profit margin remained relatively stable at about 23%. During the year, the value of the US dollar strengthened against the various Asian currencies. Due to the foreign exchange rate volatility, net foreign exchange gain declined from \$1.9 million in FY2015 to \$0.3 million in FY2016. Together with a provision of \$1.5 million for restructuring costs primarily associated with the closure of Singapore operation, the Group recorded a 32% increase in administrative expenses. This resulted in lower profit from operations at \$13.2 million.

In addition, the overall effective tax rate for the Group rose in FY2016 as higher taxable income was derived from its manufacturing centre in China. After accounting for taxation, the Group concluded the financial year with net profit of \$10.1 million, a decrease of 17% compared to the previous corresponding year.

## Cash Flow & Balance Sheet

Despite reduced profitability, the Group generated 30% increase in net cash flows from operating activities amounting to \$16.7 million. The increase was mainly due to better management of inventories and trade receivables as well as receipt of cash following the disposal of a subsidiary. Lower capital expenditure and proceeds from bank loans contributed to the cash inflow from non-operating activities. After paying dividends, the Group recorded net increase of \$7.9 million in cash and cash equivalents for FY2016.

The Group's balance sheet remained solid as of 30 June 2016. In order to support growing sales in China, the Group obtained new bank loans to finance the expansion of production at its Shanghai plant. While inventories and trade receivables were relatively stable with improved collections, the aggregate of fixed deposits, cash and cash equivalents grew 32% to \$29.8 million. Despite the increase in bank loans, the Group continued to maintain a strong net cash position.

9. **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.

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

The global economy is likely to remain affected by uncertainties and economic challenges in the current financial year. Macroeconomic volatility is expected to impact the Group's performance. The Group will continue to monitor market developments closely to minimise the risk of any adverse impact on its profitability, and remain prudent in its cost and credit management.

In FY2017, Management will continue to focus on developing relationships with existing and new customers to increase its revenue base.

11. **Dividend**

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

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

| Name of dividend                 | Interim | Final                 |
|----------------------------------|---------|-----------------------|
| Dividend type                    | -       | Cash                  |
| Dividend rate per ordinary share | -       | 2.30 cents            |
| Tax rate                         | -       | Tax exempt (one-tier) |

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

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

| Name of dividend                 | Interim | Final                 |
|----------------------------------|---------|-----------------------|
| Dividend type                    | -       | Cash                  |
| Dividend rate per ordinary share | -       | 2.80 cents            |
| Tax rate                         | -       | Tax exempt (one-tier) |

**(c) Date payable**

The proposed dividends, if approved at the 29th Annual General Meeting to be held on 18 October 2016, will be paid on 16 November 2016.

**(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 28 October 2016 for the purpose of determining members' entitlements to the proposed final dividends of 2.30 cents per ordinary share for the financial year ended 30 June 2016 (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 27 October 2016 by the Company's Share Registrar,

Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, 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 27 October 2016, will be entitled to the Proposed Final Dividends.

The Proposed Final Dividends, if approved at the forthcoming Annual General Meeting to be held on 18 October 2016, will be paid on 16 November 2016.

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

Not applicable.

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

The Group does not have an interested person transaction mandate.

**14. 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 .

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

|  | <b>Imaging &amp; Printing<br/>S\$'000</b> | <b>Machinery &amp; Automotive System<br/>S\$'000</b> | <b>Others<br/>(see note below)<br/>S\$'000</b> | <b>Group<br/>S\$'000</b> |
|--|---|--|--|--------------------------|
| <b>2016</b>  |   |  |  |                          |
| Turnover   | 32,765                                    | 59,656   | 31,767   | 124,188                  |
| Segment Results  | 7,155                                     | 13,169   | 7,909  | 28,233                   |
| Distribution and selling expenses                        | (626)                                     | (1,141)  | (608)  | (2,375)                  |
| Unallocated expenses                                     |   |  |  | (12,651)                 |
| Operating profit   |   |  |  | 13,207                   |
| Financial expenses                                       |   |  |  | (167)                    |
| Income tax expense                                       |   |  |  | (2,935)                  |
| Net Profit attributable to equity holders of the Company |   |  |  | 10,105                   |
| <b>Assets</b>  |   |  |  |                          |
| Trade receivables  | 5,204                                     | 15,410   | 8,385  | 28,999                   |
| Unallocated assets                                       |   |  |  | 96,863                   |
| Total assets   |   |  |  | 125,862                  |
| <b>2015</b>  |   |  |  |                          |
| Turnover   | 36,242                                    | 56,465   | 21,475   | 114,182                  |
| Segment Results  | 8,656                                     | 14,383   | 4,300  | 27,339                   |

|   |       |         |       |          |
|---|-------|---------|-------|----------|
| Distribution and selling expenses                             | (677) | (1,053) | (380) | (2,110)  |
| Unallocated expenses  |       |         |       | (10,001) |
| Operating profit  |       |         |       | 15,228   |
| Financial expenses  |       |         |       | (13)     |
| Income tax expense  |       |         |       | (3,017)  |
| Net Profit attributable to equity<br>- holders of the Company |       |         |       | 12,198   |
| <b>Assets</b>   |       |         |       |          |
| Trade receivables   | 6,966 | 16,365  | 5,362 | 28,693   |
| Unallocated assets  |       |         |       | 88,919   |
| Total assets  |       |         |       | 117,612  |

Others –include domestic appliances, consumer electronics, data storage, telecommunications and others.

|                             | Turnover        |                 | Non-current assets |                 | Capital Expenditure |                 |
|-----------------------------|-----------------|-----------------|--------------------|-----------------|---------------------|-----------------|
|                             | 2016<br>S\$'000 | 2015<br>S\$'000 | 2016<br>S\$'000    | 2015<br>S\$'000 | 2016<br>S\$'000     | 2015<br>S\$'000 |
| People's Republic of China  | 48,204          | 48,932          | 14,688             | 13,967          | 3,809               | 4,863           |
| Singapore                   | 4,284           | 6,294           | 1,046              | 2,237           | 38                  | 582             |
| Asean (excluding Singapore) | 27,944          | 33,213          | 27,972             | 27,093          | 5,636               | 11,006          |
| USA, Europe and others      | 43,756          | 25,743          | -                  | -               | -                   | -               |
|                             | 124,188         | 114,182         | 43,706             | 43,297          | 9,483               | 16,451          |

Turnover is based on the location of the customers regardless of where the goods are produced.  
Assets and additions to property, plant and equipment are based on the location of those assets.

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

Overall, group turnover was higher in FY2016 as a result of higher demand from customers in the Machinery & Automotive System sector. Please refer to paragraph 8 above for further details.

**17. A breakdown of sales.**

|  | Group    |          |        |
|--|----------|----------|--------|
|  | S\$'000  |          | %      |
|  | 30/06/16 | 30/06/15 | Change |
| Sales reported for first half year                       | 61,226   | 53,872   | 13.7%  |
| Operating profit after tax reported for first half year  | 7,515    | 5,776    | 30.1%  |
| Sales reported for second half year                      | 62,962   | 60,310   | 4.4%   |
| Operating profit after tax reported for second half year | 2,590    | 6,422    | -59.7% |

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

|  | Latest Full Year | Previous Full Year |
|--|------------------|--------------------|
|  | S\$'000          | S\$'000            |
| Interim Dividend per share (tax exempt – one tier) | Nil              | Nil                |
| Final Dividend per share (tax exempt – one tier)   | 3,230            | 2,538              |
| Special Dividend per share (tax exempt – one tier) | Nil              | Nil                |

**19. Disclosure of person 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 | 70  | Father of Nicholas Tan Heok Ting and Granduncle of Foo Fang Haur                  | Executive Chairman of Spindex Industries Limited<br><br>Since 1989  | No Change   |
| Foo Fang Haur                 | 41  | Grandnephew of Tan Choo Pie @ Tan Chang Chai and Nephew of Nicholas Tan Heok Ting | Business Development Manager of Spindex Industries (Hanoi) Co., Ltd.<br><br>Since June 2005                               | No Change   |
| Nicholas Tan Heok Ting        | 36  | Son of Tan Choo Pie @ Tan Chang Chai and Uncle of Foo Fang Haur                   | Executive Director of Spindex Industries Limited since 1 May 2010.<br><br>Managing Director with effect from 1 July 2013. | No Change   |

**BY ORDER OF THE BOARD**

Tan Choo Pie @ Tan Chang Chai  
Chairman  
26 August 2016