

RESPONSE TO SGX-ST QUERIES ON THE ANNUAL REPORT 2015

The Board of Directors of Spindex Industries Limited (the "Company") refers to the queries raised by SGX-ST in relation to the Company's Annual Report 2015 and wishes to provide the Company's response to such queries as follows:

Query 1:

Paragraph 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please make disclosures on the Board's comments on the adequacy and effectiveness of the Company's information technology controls and risk management systems or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Company's Response:

In addition to the Board's opinion under page 18 of the Annual Report 2015, the Board, with the concurrence of the AC, also is of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, as well as the Group's information technology controls and risk management systems were adequate and effective as at 30 June 2015.

Query 2:

Listing Rule 716 states that an issuer may appoint different auditing firms for its subsidiaries or significant associated companies (referred to in Rule 715(1)) provided that:—

- (1) the issuer's board and audit committee are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the issuer; or
- (2) the issuer's subsidiary or associated company, is listed on a stock exchange.

The Exchange has noted that the Audit Committee did not opine on the appointment of a different auditor for the issuer's subsidiaries or significant associated companies. Please disclose whether the Company has complied with Rule 712 and Rule 715 or 716.

Company's Response:

In addition to the Board's opinion under page 20 of the Annual Report 2015, the Board and the Audit Committee are satisfied that the appointment of a different auditor for the Company's significant foreign-incorporated subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

As disclosed under page 20 of the Annual Report 2015, the Company has complied with Rules 712 and 715 of the Listing Manual.

BY ORDER OF THE BOARD
Tan Choo Pie @ Tan Chang Chai
Chairman
23 October 2015