



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 2024

TABLE OF CONTENTS

Item No	Description	Page No.
A	Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
B	Condensed Interim Statements of Financial Position	4
C	Condensed Interim Consolidated Statement of Cash Flows	5
D	Condensed Interim Statements of Changes in Equity	6
E	Notes to the Condensed Interim Consolidated Financial Statements	7
F	Other Information Required by Listing Rule Appendix 7.2	18

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 2024 \$'000	6 mths ended 30 Jun 2023 \$'000		12 mths ended 30 Jun 2024 \$'000	12 mths ended 30 Jun 2023 \$'000	
Revenue	4	92,096	89,294	3.1	180,287	183,449	(1.7)
Cost of sales		(71,236)	(73,140)	(2.6)	(142,162)	(151,358)	(6.1)
Gross profit		20,860	16,154	29.1	38,125	32,091	18.8
Other income		1,955	1,708	14.5	3,888	3,654	6.4
Distribution and selling expenses		(1,706)	(1,509)	13.1	(3,138)	(3,211)	(2.3)
Administrative expenses		(8,469)	(9,140)	(7.3)	(18,392)	(17,346)	6.0
Profit from operations		12,640	7,213	75.2	20,483	15,188	34.9
Financial expenses		(78)	(177)	(55.9)	(140)	(384)	(63.5)
Share of profit/(loss) in joint venture		47	49	(4.1)	105	(17)	NM
Profit before tax	5	12,609	7,085	78.0	20,448	14,787	38.3
Income tax expense	6	(3,388)	(2,322)	45.9	(4,880)	(3,964)	23.1
Profit for the year		9,221	4,763	93.6	15,568	10,823	43.8
Other comprehensive income:							
<u>Item that may be reclassified to profit or loss in subsequent periods (net of tax)</u>							
Foreign currency translation		1,412	(5,097)	NM	(325)	(13,783)	(97.6)
Total comprehensive income attributable to:							
Owners of the Company		10,633	(334)	NM	15,243	(2,960)	NM
Earnings per share attributable to owners of the Company (cents per share)							
- Basic		7.99	4.13		13.49	9.38	
- Diluted		7.99	4.13		13.49	9.38	

Note : NM = Not meaningful

B. Condensed Interim Statements of Financial Position

	Note	GROUP		COMPANY	
		30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	9	78,727	77,810	514	264
Right-of-use assets		5,718	6,531	176	177
Loan to a subsidiary		-	-	4,223	-
Investment in subsidiaries		-	-	52,749	52,749
Investment in joint venture		1,399	1,294	1,681	1,681
		<u>85,844</u>	<u>85,635</u>	<u>59,343</u>	<u>54,871</u>
Current assets					
Inventories		29,445	29,690	2,740	2,251
Trade receivables		42,956	39,483	6,442	6,530
Other receivables and deposits		1,686	2,545	105	105
Prepayments		4,316	1,980	36	38
Due from subsidiaries (non-trade)		-	-	292	310
Due from subsidiaries (trade)		-	-	2	2
Cash and cash equivalents		60,950	46,423	10,670	3,438
		<u>139,353</u>	<u>120,121</u>	<u>20,287</u>	<u>12,674</u>
Current liabilities					
Trade payables		22,145	18,962	122	140
Other payables and accruals		20,710	20,783	3,692	2,853
Refund liabilities		2,284	2,183	1,572	1,569
Provision for defects		1,448	839	-	-
Due to subsidiaries (trade)		-	-	7,910	7,644
Due to subsidiaries (non-trade)		-	-	1	-
Loans and borrowings	10	3,820	1,290	1,310	1,290
Lease liabilities		538	870	92	92
Provision for tax		1,664	671	-	-
		<u>52,609</u>	<u>45,598</u>	<u>14,699</u>	<u>13,588</u>
Net current assets / (liabilities)		<u>86,744</u>	<u>74,523</u>	<u>5,588</u>	<u>(914)</u>
Non-current liabilities					
Loans and borrowings	10	838	1,922	838	1,922
Lease liabilities		335	661	87	87
Deferred tax liabilities		4,383	5,217	7	7
Provision for restoration costs		262	254	-	-
		<u>5,818</u>	<u>8,054</u>	<u>932</u>	<u>2,016</u>
Net assets		<u>166,770</u>	<u>152,104</u>	<u>63,999</u>	<u>51,941</u>
Equity attributable to owners of the Company					
Share capital	12	13,145	13,145	13,145	13,145
Reserves		153,625	138,959	50,854	38,796
Total equity		<u>166,770</u>	<u>152,104</u>	<u>63,999</u>	<u>51,941</u>

C. Condensed Interim Consolidated Statement of Cash Flows

	GROUP	
	12 mths ended 30 Jun 2024 \$'000	12 mths ended 30 Jun 2023 \$'000
Operating activities		
Profit before tax	20,448	14,787
Adjustments for:		
Depreciation of property, plant and equipment	10,843	11,460
Depreciation of right-of-use assets	893	1,379
(Gain)/loss on disposal of property, plant and equipment	(98)	23
Gain on early termination of lease	(22)	(36)
Interest expense	140	384
Interest income	(924)	(450)
Reversal of provision for inventory obsolescence	(83)	(63)
Provision/(write-back) for defects	608	(754)
Share of (profit)/loss in joint venture	(105)	17
Provision for retrenchment benefits	-	2,187
Unrealised exchange loss/(gain)	1,080	(697)
Operating cash flows before changes in working capital	32,780	28,237
(Increase)/decrease in:		
Inventories	281	9,317
Trade receivables	(4,678)	(2,720)
Other receivables and deposits	456	(632)
Prepayments	(2,342)	135
Increase/(decrease) in:		
Trade payables	3,296	475
Other payables and accruals	(403)	(1,116)
Cash flows from operations	29,390	33,696
Income taxes paid	(4,295)	(3,579)
Interest paid	(92)	(370)
Interest received	924	450
Net cash flows generated from operating activities	25,927	30,197
Investing activities		
Purchase of property, plant and equipment	(12,048)	(9,431)
Proceeds from disposal of property, plant and equipment	672	41
Net cash flows used in investing activities	(11,376)	(9,390)
Financing activities		
Dividend paid on ordinary shares	(577)	(4,038)
Repayment of principal obligations under lease liabilities	(717)	(1,179)
Interest paid on lease liabilities	(43)	(67)
Proceed from loans and borrowings	2,746	-
Repayment of loans and borrowings	(1,308)	(11,454)
Net cash flows generated from/(used in) financing activities	101	(16,738)
Net increase in cash and cash equivalents	14,652	4,069
Cash and cash equivalents at beginning of financial year	46,423	45,639
Currency alignment on opening cash balances	(125)	(3,285)
Cash and cash equivalents at end of financial year	60,950	46,423

D. Condensed Interim Statements of Changes in Equity

	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	
Group						
As at 1 July 2022	13,145	(8,784)	6,997	147,744	145,957	159,102
Net profit for the year	-	-	-	10,823	10,823	10,823
Other comprehensive income for the year	-	(13,783)	-	-	(13,783)	(13,783)
Total comprehensive income for the year	-	(13,783)	-	10,823	(2,960)	(2,960)
Dividend on ordinary shares	-	-	-	(4,038)	(4,038)	(4,038)
At 30 June 2023 and 1 July 2023	13,145	(22,567)	6,997	154,529	138,959	152,104
Net profit for the year	-	-	-	15,568	15,568	15,568
Other comprehensive income for the year	-	(325)	-	-	(325)	(325)
Total comprehensive income for the year	-	(325)	-	15,568	15,243	15,243
Dividend on ordinary shares	-	-	-	(577)	(577)	(577)
At 30 June 2024	13,145	(22,892)	6,997	169,520	153,625	166,770

	Attributable to owners of the Company			Total equity \$'000
	Share capital \$'000	Accumulated profits \$'000	Total reserves \$'000	
Company				
At 1 July 2022	13,145	29,509	29,509	42,654
Net profit for the year	-	13,325	13,325	13,325
Total comprehensive income for the year	-	13,325	13,325	13,325
Dividend on ordinary shares	-	(4,038)	(4,038)	(4,038)
At 30 June 2023 and 1 July 2023	13,145	38,796	38,796	51,941
Net profit for the year	-	12,635	12,635	12,635
Total comprehensive income for the year	-	12,635	12,635	12,635
Dividend on ordinary shares	-	(577)	(577)	(577)
At 30 June 2024	13,145	50,854	50,854	63,999

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 2024 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 2024 of the Group have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee (ASC) under ACRA. 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 2023.

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 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.3 *Use of judgements and estimates*

The preparation of the Group's condensed interim financial statements requires management to make judgements, 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2023. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period.

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 2024	6 mths ended 30 Jun 2023	6 mths ended 30 Jun 2024	6 mths ended 30 Jun 2023	6 mths ended 30 Jun 2024	6 mths ended 30 Jun 2023	6 mths ended 30 Jun 2024	6 mths ended 30 Jun 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets								
China	447	409	29,367	26,947	1,247	1,030	31,061	28,386
Singapore	13	25	29	176	254	268	296	469
ASEAN (excluding Singapore)	13,494	12,976	1,391	673	3,991	4,687	18,876	18,336
USA, Europe and others	10	12	16,077	12,940	25,776	29,151	41,863	42,103
	13,964	13,422	46,864	40,736	31,268	35,136	92,096	89,294
Timing of transfer of goods								
At a point in time	13,964	13,422	46,864	40,736	31,268	35,136	92,096	89,294

*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 2024	12 mths ended 30 Jun 2023	12 mths ended 30 Jun 2024	12 mths ended 30 Jun 2023	12 mths ended 30 Jun 2024	12 mths ended 30 Jun 2023	12 mths ended 30 Jun 2024	12 mths ended 30 Jun 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets								
China	862	651	58,666	55,788	2,173	1,987	61,701	58,426
Singapore	38	38	42	509	532	505	612	1,052
ASEAN (excluding Singapore)	25,648	31,053	2,175	1,383	7,923	10,668	35,746	43,104
USA, Europe and others	36	48	29,816	23,692	52,376	57,127	82,228	80,867
	26,584	31,790	90,699	81,372	63,004	70,287	180,287	183,449
Timing of transfer of goods								
At a point in time	26,584	31,790	90,699	81,372	63,004	70,287	180,287	183,449

*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 2024	6 mths ended 30 Jun 2023	6 mths ended 30 Jun 2024	6 mths ended 30 Jun 2023	6 mths ended 30 Jun 2024	6 mths ended 30 Jun 2023	6 mths ended 30 Jun 2024	6 mths ended 30 Jun 2023	6 mths ended 30 Jun 2024	6 mths ended 30 Jun 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
External customers	13,964	13,422	46,864	40,736	31,268	35,136	-	-	92,096	89,294
Inter-segment	402	454	12,923	9,690	6,251	7,903	(19,576)	(18,047)	-	-
Total revenue	14,366	13,876	59,787	50,426	37,519	43,039	(19,576)	(18,047)	92,096	89,294
Segment profit	3,151	2,452	10,599	7,356	7,110	6,346	-	-	20,860	16,154
Distribution and selling expenses	(258)	(224)	(867)	(689)	(581)	(596)	-	-	(1,706)	(1,509)
Unallocated other income									1,955	1,708
Unallocated expenses									(8,469)	(9,140)
Operating profit									12,640	7,213
Financial expenses									(78)	(177)
Share of profit in joint venture									47	49
Income tax expense									(3,388)	(2,322)
Net profit for the financial period									9,221	4,763
Assets										
Trade receivables	4,727	4,424	27,258	22,978	10,971	12,081	-	-	42,956	39,483
Unallocated assets	-	-	-	-	-	-	-	-	182,241	166,273
Total assets									225,197	205,756
Liabilities										
Provision for defects	214	145	728	372	506	322	-	-	1,448	839
Unallocated liabilities	-	-	-	-	-	-	-	-	56,979	52,813
Total liabilities									58,427	53,652
Other segment information										
Depreciation of plant and machinery	612	638	2,052	1,929	1,368	1,664	-	-	4,032	4,231
Unallocated depreciation of other assets	-	-	-	-	-	-	-	-	1,364	1,505
Depreciation expense for the financial period									5,396	5,736

* 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 2024	12 mths ended 30 Jun 2023	12 mths ended 30 Jun 2024	12 mths ended 30 Jun 2023	12 mths ended 30 Jun 2024	12 mths ended 30 Jun 2023	12 mths ended 30 Jun 2024	12 mths ended 30 Jun 2023	12 mths ended 30 Jun 2024	12 mths ended 30 Jun 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
External customers	26,584	31,790	90,699	81,372	63,004	70,287	-	-	180,287	183,449
Inter-segment	795	812	27,221	18,096	11,616	14,208	(39,632)	(33,116)	-	-
Total revenue	27,379	32,602	117,920	99,468	74,620	84,495	(39,632)	(33,116)	180,287	183,449
Segment profit	5,622	5,561	19,180	14,237	13,323	12,293	-	-	38,125	32,091
Distribution and selling expenses	(463)	(556)	(1,579)	(1,424)	(1,096)	(1,231)	-	-	(3,138)	(3,211)
Unallocated other income									3,888	3,654
Unallocated expenses									(18,392)	(17,346)
Operating profit									20,483	15,188
Financial expenses									(140)	(384)
Share of profit/(loss) in joint venture									105	(17)
Income tax expense									(4,880)	(3,964)
Net profit for the financial year									15,568	10,823
Assets										
Trade receivables	4,727	4,424	27,258	22,978	10,971	12,081	-	-	42,956	39,483
Unallocated assets	-	-	-	-	-	-	-	-	182,241	166,273
Total assets									225,197	205,756
Liabilities										
Provision for defects	214	145	728	372	506	322	-	-	1,448	839
Unallocated liabilities	-	-	-	-	-	-	-	-	56,979	52,813
Total liabilities									58,427	53,652
Other segment information										
Depreciation of plant and machinery	1,192	1,492	4,067	3,819	2,826	3,298	-	-	8,085	8,609
Unallocated depreciation of other assets	-	-	-	-	-	-	-	-	2,758	2,851
Depreciation expense for the financial year									10,843	11,460

* 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:

	Group					
	Revenue		Non-current assets		Capital expenditure	
	12 mths ended 30	12 mths ended 30	12 mths ended 30	12 mths ended 30	12 mths ended 30	12 mths ended 30
	Jun 2024	Jun 2023	Jun 2024	Jun 2023	Jun 2024	Jun 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
China	61,701	58,426	39,643	41,376	2,754	2,926
Singapore	612	1,052	2,090	1,735	842	117
ASEAN (excludes Singapore)	35,746	43,104	44,111	42,524	8,934	2,012
USA, Europe and others	82,228	80,867	-	-	-	-
	180,287	183,449	85,844	85,635	12,530	5,055

A breakdown of sales:

	Group		Increase/ (Decrease) %
	12 mths ended 30 Jun	12 mths ended 30 Jun	
	2024	2023	
	\$'000	\$'000	
Sales reported for first half year	88,191	94,155	(6.3)
Operating profit after tax reported for first half year	6,347	6,060	4.7
Sales reported for second half year	92,096	89,294	3.1
Operating profit after tax reporting for second half year	9,221	4,763	93.6

5. Profit before tax

5.1 Significant items

	Group		Group	
	6 mths ended 30 Jun 2024 \$'000	6 mths ended 30 Jun 2023 \$'000	12 mths ended 30 Jun 2024 \$'000	12 mths ended 30 Jun 2023 \$'000
Sales of scrap	1,342	1,193	2,555	2,479
Interest income	516	273	924	450
(Loss)/Gain on disposal of property, plant and equipment	(41)	(7)	98	(23)
Gain on early termination of lease	1	5	22	36
Government grants	82	88	172	498
Depreciation of property, plant and equipment	(5,396)	(5,736)	(10,843)	(11,460)
Depreciation of right-of-use assets	(372)	(526)	(893)	(1,379)
Reversal of provision for inventory obsolescence	205	854	83	63
(Provision)/Write-back for defects	(399)	498	(608)	754
Foreign exchange gain, net	1,644	2,091	526	2,577

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. Income tax expense

	Group		Group	
	6 mths ended 30 Jun 2024 \$'000	6 mths ended 30 Jun 2023 \$'000	12 mths ended 30 Jun 2024 \$'000	12 mths ended 30 Jun 2023 \$'000
Current income tax expense	3,158	1,516	5,687	3,065
Deferred income tax expense / (credit) relating to origination and reversal of temporary differences	230	806	(807)	899
	3,388	2,322	4,880	3,964

7. Dividends

	Group and Company	
	2024 \$'000	2023 \$'000
Ordinary dividends paid:		
Final exempt (one-tier) dividend of 0.5 cents (2023: 3.50 cents) per ordinary share in respect of the previous financial year	577	4,038

8. Net Asset Value

	Group		Company	
	30 Jun 2024 (cents)	30 Jun 2023 (cents)	30 Jun 2024 (cents)	30 Jun 2023 (cents)
Net asset value per ordinary share	144.56	131.85	55.48	45.02

Net asset value per ordinary share was based on 115,365,000 ordinary shares in issue as at 30 June 2024 (30 June 2023 : 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 2024 are as follows:

	Group		Group	
	6 mths ended 30 Jun 2024 \$'000	6 mths ended 30 Jun 2023 \$'000	12 mths ended 30 Jun 2024 \$'000	12 mths ended 30 Jun 2023 \$'000
Additions	10,400	1,665	12,530	5,055
Disposals	(645)	(385)	(1,879)	(485)

The additions to property, plant and equipment of \$12,530,000 (2023: \$5,055,000) for the Group during financial year includes \$1,585,000 (2023: \$1,103,000) which remains unpaid as at year end.

10. Loans and borrowings

	Group		Company	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Current:				
Obligations under hire purchase arrangement	35	40	35	40
Bank loans				
- 2.00% p.a. fixed rate SGD bank loan	1,275	1,250	1,275	1,250
- 3.45% p.a. fixed rate CNY bank loan	2,510	-	-	-
	3,820	1,290	1,310	1,290
Non-current:				
Obligations under hire purchase arrangement	191	-	191	-
Bank loans				
- 2.00% p.a. fixed rate SGD bank loan	647	1,922	647	1,922
	838	1,922	838	1,922
Total loans and borrowings	4,658	3,212	2,148	3,212

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 in FY2021. 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%.

3.45% p.a. fixed rate CNY bank loan

The short term loan pertains to issuance of financial guarantee and/or standby letters of credit of USD5M equivalent to a subsidiary in China for their working capital purposes using the Company existing facility with a bank for intra-group guarantee supporting. It bears fixed interest of 3.45% per annum and is repayable over a period of 6 months.

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 2.78% (2023: 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 categorised 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.

	Group and Company			
	2024		2023	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Obligations under hire purchase arrangement	191	177	-	-

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

	Group and Company	
	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
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 2024 was 115,365,000 (30 June 2023: 115,365,000).

There were no sales, transfers, disposal, cancellation, and/or use of treasury shares for the financial year ended 30 June 2024.

There were no treasury shares as at 30 June 2024 and 30 June 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 30 June 2023.

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 2024 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, consumer-lifestyle and healthcare products.

Revenue

Negative business sentiments persisted in FY2024, with the volatility in the market continuing to weigh on consumer demand. The interest rate, inflation environment and the political conflicts around the world have also added to the overall economic uncertainty.

Challenging market conditions have continued to place downward pressure on the Group's revenue in FY2024. The revenue decline of 6.3% in 1H FY2024 was balanced by a small growth of 3.1% in 2H FY2024, bringing the FY2024 group revenue down by 1.7% to \$180.3 million.

Demand was uneven across the Group's business sectors. Both Automotive and Machine Tools under the MA business sector benefited from a general restocking in FY2024 and the sector grew 11.6% to \$90.7 million.

Although revenue from the IP business sector declined 16.4% to \$26.6 million for FY2024, the business sector posted a marginal revenue growth in the second half year. Following weak demand for components in FY2023, the resumption of production of imaging and printing equipment in FY2024 contributed to some demand in the second half of FY2024.

The CP business sector comprising domestic appliances, consumer electronics, health & leisure equipment and data storage continued to be affected by the general business slowdown and weaker demand. In FY2024, revenue for CP business sector declined 10.4% to \$63.0 million.

Revenue by Business Sector	FY2024 S\$'m (1)	FY2023 S\$'m (2)	Change (1-2) / (2) (%)
Machinery and Automotive Systems (MA)	90.7	81.3	+11.6%
Imaging & Printing (IP)	26.6	31.8	-16.4%
Consumer Product and Others (CP)	63.0	70.3	-10.4%
Total	180.3	183.4	-1.7%

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

Profitability

Despite marginally lower revenue for FY2024, the Group recorded an improvement in the gross profit from \$32.1 million in FY2023 to \$38.1 million in FY2024. This was achieved through a combination of prudent cost management, better product mix and a softening of inflationary costs on some material prices.

Distribution and selling expenses fell 2.3% in line with the lower group revenue. Administrative expenses rose 6.0% for the year and the increase was partly due to a lower foreign exchange gain, offset by the absence of any retrenchment expenses incurred in FY2024. The repayment of short term loans in FY2023 lowered financial expenses and the continuing improvement in the operations of the joint venture in Vietnam resulted in a modest share of profit.

The effective management of costs and expenses contributed to the 38.3% growth in profit before tax to \$20.4 million in FY2024. Lower effective tax rate of 23.9% due to timing difference of deferred tax liabilities and this added to the 43.8% increase in net profit of \$15.6 million for FY2024.

Cash Flow & Balance Sheet

With higher profit before tax and lower depreciation for property, plant and equipment, operational cash flow before changes in working capital improved to \$32.8 million. However, an increase in trade receivables, prepayments and trade payables reduced the cash flow from operations to \$29.4 million. Although a higher amount of cash was used to purchase property, plant and equipment, net cash used in financing activities declined substantially due to lower dividend payment and marginal repayment of bank loans. This contributed substantially to the net increase in cash and cash equivalents of \$14.7 million for the year.

The balance sheet of the Group remains strong. With the Group being more selective in its investments, property, plant and equipment increased marginally to \$78.7 million as at 30 June 2024. The reduction in financing activities led to the increase in cash and cash equivalents of \$60.9 million. Total loans and borrowings of \$4.7 million as at 30 June 2024 remained low and the Group continues to be in a strong financial position to selectively invest in expanding the business.

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.

The uncertainty of the world economies is likely to set the stage for further volatility in FY2025. Although interest rates look to stabilize and reduce, consumer demand remains passive. The political uncertainties resulting from the global conflicts and the US elections may further dampen economic sentiments.

The Group will continue to manage its operations efficiently and its expenses prudently in the face of these challenges. Market conditions will be monitored closely so that appropriate actions may be taken on a timely basis. The Group is in a strong financial position and will continue to invest selectively to maximise production efficiency and capitalise on opportunities to expand its business during this period of economic volatility.

5. Dividend information

(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	-	2.70 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

Name of dividend	Interim	Final
Dividend type	-	Cash
Dividend rate per ordinary share	-	0.50 cents
Tax rate	-	Tax exempt (one-tier)

(c) Date payable

The proposed dividends, if approved at the 37th Annual General Meeting to be held on 28 October 2024, will be paid on 18 November 2024.

(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 8 November 2024 for the purpose of determining members' entitlements to the proposed final dividends of 2.70 cents per ordinary share for the financial year ended 30 June 2024 (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 7 November 2024 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 7 November 2024, will be entitled to the Proposed Final Dividends.

The Proposed Final Dividends, if approved at the forthcoming Annual General Meeting to be held on 28 October 2024, will be paid on 18 November 2024.

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
Foo Fang Haur	49	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

BY ORDER OF THE BOARD
Tan Choo Pie @ Tan Chang Chai
Chairman
20 August 2024