



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

Condensed Interim Financial Statements  
For 6 months ended 31 December 2023

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

|   | Note | GROUP                                    |  | Increase/<br>(Decrease)<br>% |
|---|------|--|--|------------------------------|
|   |      | 6 mths<br>ended 31<br>Dec 2023<br>\$'000 | 6 mths<br>ended 31<br>Dec 2022<br>\$'000 |                              |
| <b>Revenue</b>  | 4    | 88,191                                   | 94,155                                   | (6.3)                        |
| <b>Cost of sales</b>  |      | (70,926)                                 | (78,218)                                 | (9.3)                        |
| <b>Gross profit</b>   |      | 17,265                                   | 15,937                                   | 8.3                          |
| Other income  |      | 1,933                                    | 1,946                                    | (0.7)                        |
| Distribution and selling expenses   |      | (1,432)                                  | (1,702)                                  | (15.9)                       |
| Administrative expenses   |      | (9,923)                                  | (8,206)                                  | 20.9                         |
| <b>Profit from operations</b>   |      | 7,843                                    | 7,975                                    | (1.7)                        |
| Financial expenses  |      | (62)                                     | (207)                                    | (70.0)                       |
| Share of profit/(loss) in joint venture   |      | 58                                       | (66)                                     | NM                           |
| <b>Profit before tax</b>  | 5    | 7,839                                    | 7,702                                    | 1.8                          |
| Income tax expense  | 6    | (1,492)                                  | (1,642)                                  | (9.1)                        |
| <b>Profit for the period</b>  |      | 6,347                                    | 6,060                                    | 4.7                          |
| <b>Other comprehensive income:</b>  |      |  |  |                              |
| <b>Item that may be reclassified subsequently to profit or loss</b>               |      |  |  |                              |
| Foreign currency translation  |      | (1,737)                                  | (8,686)                                  | (80.0)                       |
| <b>Total comprehensive income attributable to:</b>                                |      |  |  |                              |
| Owners of the Company   |      | 4,610                                    | (2,626)                                  | NM                           |
| <b>Earnings per share attributable to owners of the Company (cents per share)</b> |      |  |  |                              |
| - Basic   |      | 5.50                                     | 5.25                                     |                              |
| - Diluted   |      | 5.50                                     | 5.25                                     |                              |

Note: NM – Not Meaningful

## B. Condensed Interim Statements of Financial Position

|   | Note | GROUP                 |                       | COMPANY               |                       |
|---|------|-----------------------|-----------------------|-----------------------|-----------------------|
|   |      | 31 Dec 2023<br>\$'000 | 30 Jun 2023<br>\$'000 | 31 Dec 2023<br>\$'000 | 30 Jun 2023<br>\$'000 |
| <b>Non-current assets</b>                           |      |                       |                       |                       |                       |
| Property, plant and equipment                       | 9    | 73,592                | 77,810                | 517                   | 264                   |
| Right-of-use assets                                 |      | 5,754                 | 6,531                 | 131                   | 177                   |
| Loan to subsidiaries                                |      | -                     | -                     | 3,960                 | -                     |
| Investment in subsidiaries                          |      | -                     | -                     | 52,749                | 52,749                |
| Investment in joint venture                         |      | 1,352                 | 1,294                 | 1,681                 | 1,681                 |
|   |      | <u>80,698</u>         | <u>85,635</u>         | <u>59,038</u>         | <u>54,871</u>         |
| <b>Current assets</b>                               |      |                       |                       |                       |                       |
| Inventories   |      | 28,708                | 29,690                | 2,152                 | 2,251                 |
| Trade receivables                                   |      | 39,394                | 39,483                | 6,130                 | 6,530                 |
| Other receivables and deposits                      |      | 2,700                 | 2,545                 | 103                   | 105                   |
| Prepayments   |      | 3,779                 | 1,980                 | 25                    | 38                    |
| Due from subsidiaries (non-trade)                   |      | -                     | -                     | 498                   | 310                   |
| Due from subsidiaries (trade)                       |      | -                     | -                     | 7                     | 2                     |
| Cash and cash equivalents                           |      | 50,658                | 46,423                | 9,748                 | 3,438                 |
|   |      | <u>125,239</u>        | <u>120,121</u>        | <u>18,663</u>         | <u>12,674</u>         |
| <b>Current liabilities</b>                          |      |                       |                       |                       |                       |
| Trade payables                                      |      | 18,597                | 18,962                | 226                   | 140                   |
| Other payables and accruals                         |      | 18,144                | 20,783                | 2,317                 | 2,853                 |
| Refund liabilities                                  |      | 2,191                 | 2,183                 | 1,526                 | 1,569                 |
| Provision for defects                               |      | 1,037                 | 839                   | -                     | -                     |
| Due to subsidiaries (trade)                         |      | -                     | -                     | 7,742                 | 7,644                 |
| Loans and borrowings                                | 10   | 1,531                 | 1,290                 | 1,322                 | 1,290                 |
| Lease liabilities                                   |      | 555                   | 870                   | 94                    | 92                    |
| Provision for tax                                   |      | 1,530                 | 671                   | -                     | -                     |
|   |      | <u>43,585</u>         | <u>45,598</u>         | <u>13,227</u>         | <u>13,588</u>         |
| <b>Net current assets/(liabilities)</b>             |      | <u>81,654</u>         | <u>74,523</u>         | <u>5,436</u>          | <u>(914)</u>          |
| <b>Non-current liabilities</b>                      |      |                       |                       |                       |                       |
| Loans and borrowings                                | 10   | 1,468                 | 1,922                 | 1,468                 | 1,922                 |
| Lease liabilities                                   |      | 343                   | 661                   | 40                    | 87                    |
| Deferred tax liabilities                            |      | 4,153                 | 5,217                 | 7                     | 7                     |
| Provision for restoration costs                     |      | 251                   | 254                   | -                     | -                     |
|   |      | <u>6,215</u>          | <u>8,054</u>          | <u>1,515</u>          | <u>2,016</u>          |
| <b>Net assets</b>                                   |      | <u>156,137</u>        | <u>152,104</u>        | <u>62,959</u>         | <u>51,941</u>         |
| <b>Equity attributable to owners of the Company</b> |      |                       |                       |                       |                       |
| Share capital                                       | 12   | 13,145                | 13,145                | 13,145                | 13,145                |
| Reserves  |      | 142,992               | 138,959               | 49,814                | 38,796                |
| <b>Total equity</b>                                 |      | <u>156,137</u>        | <u>152,104</u>        | <u>62,959</u>         | <u>51,941</u>         |

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

|   | GROUP                                 |                                       |
|---|---------------------------------------|---------------------------------------|
|   | 6 mths ended<br>31 Dec 2023<br>\$'000 | 6 mths ended<br>31 Dec 2022<br>\$'000 |
| <b>Operating activities</b>   |                                       |                                       |
| Profit before tax   | 7,839                                 | 7,702                                 |
| Adjustments for:  |                                       |                                       |
| Depreciation of property, plant and equipment   | 5,447                                 | 5,724                                 |
| Depreciation of right-of-use assets   | 521                                   | 853                                   |
| (Gain)/Loss on disposal of property, plant and equipment                                  | (139)                                 | 16                                    |
| Gain on early termination of lease  | (21)                                  | (31)                                  |
| Interest expense  | 62                                    | 207                                   |
| Interest income   | (408)                                 | (177)                                 |
| Provision of inventory obsolescence   | 122                                   | 791                                   |
| Provision/(Write-back) of provision for defects   | 209                                   | (256)                                 |
| Share of (profit)/loss in joint venture   | (58)                                  | 66                                    |
| Unrealised exchange loss/(gain)   | 2,105                                 | (1,875)                               |
| <b>Operating cash flows before changes in working capital</b>                             | 15,679                                | 13,020                                |
| (Increase)/decrease in:   |                                       |                                       |
| Inventories   | 439                                   | 6,196                                 |
| Trade receivables   | (2,228)                               | 784                                   |
| Other receivables and deposits  | (277)                                 | (55)                                  |
| Prepayments   | (1,828)                               | 857                                   |
| Increase/(decrease) in:   |                                       |                                       |
| Trade payables  | 234                                   | (3,855)                               |
| Other payables and accruals   | (2,446)                               | (8,252)                               |
| <b>Cash flows from operations</b>   | 9,573                                 | 8,695                                 |
| Income taxes paid   | (1,552)                               | (1,788)                               |
| Interest paid   | (34)                                  | (118)                                 |
| Interest received   | 408                                   | 177                                   |
| <b>Net cash flows generated from operating activities</b>                                 | 8,395                                 | 6,966                                 |
| <b>Investing activities</b>   |                                       |                                       |
| Purchase of property, plant and equipment (Note A)  | (2,004)                               | (2,822)                               |
| Proceeds from disposal of property, plant and equipment                                   | 281                                   | 3                                     |
| <b>Net cash flows used in investing activities</b>  | (1,723)                               | (2,819)                               |
| <b>Financing activities</b>   |                                       |                                       |
| Dividend paid on ordinary shares  | (577)                                 | (4,038)                               |
| Repayment of principal obligations under lease liabilities                                | (420)                                 | (927)                                 |
| Interest paid on lease liabilities  | (28)                                  | (36)                                  |
| Proceed from loans and borrowings   | 451                                   | -                                     |
| Repayment of loans and borrowings   | (665)                                 | (4,821)                               |
| <b>Net cash flows used in financing activities</b>  | (1,239)                               | (9,822)                               |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                               | 5,433                                 | (5,675)                               |
| <b>Cash and cash equivalents at beginning of financial period</b>                         | 46,423                                | 45,639                                |
| <b>Effects of exchange rate changes on the balance of cash held in foreign currencies</b> | (1,198)                               | (2,011)                               |
| <b>Cash and cash equivalents at end of financial period</b>                               | 50,658                                | 37,953                                |

Note A:

The additions to property, plant and equipment of \$2,130,000 (30 June 2023: \$5,055,000) for the Group during financial period includes \$1,229,000 (30 June 2023: \$1,103,000) which remains unpaid as at end of financial period.

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

|   | Attributable to owners of the Company |  |                        |                               |                          | Total equity<br>\$'000 |
|---|---------------------------------------|--|------------------------|-------------------------------|--------------------------|------------------------|
|   | Share capital<br>\$'000               | Foreign currency translation reserve<br>\$'000 | Reserve fund<br>\$'000 | Accumulated profits<br>\$'000 | Total reserves<br>\$'000 |                        |
| <b>Group</b>                              |                                       |  |                        |                               |                          |                        |
| As at 1 July 2022                         | 13,145                                | (8,784)  | 6,997                  | 147,744                       | 145,957                  | 159,102                |
| Profit for the period                     | -                                     | -  | -                      | 6,060                         | 6,060                    | 6,060                  |
| Other comprehensive income for the period | -                                     | (8,686)  | -                      | -                             | (8,686)                  | (8,686)                |
| Total comprehensive income for the period | -                                     | (8,686)  | -                      | 6,060                         | (2,626)                  | (2,626)                |
| Dividend on ordinary shares               | -                                     | -  | -                      | (4,038)                       | (4,038)                  | (4,038)                |
| At 31 December 2022                       | 13,145                                | (17,470)                                       | 6,997                  | 149,766                       | 139,293                  | 152,438                |
| At 1 July 2023                            | 13,145                                | (22,567)                                       | 6,997                  | 154,529                       | 138,959                  | 152,104                |
| Profit for the period                     | -                                     | -  | -                      | 6,347                         | 6,347                    | 6,347                  |
| Other comprehensive income for the period | -                                     | (1,737)  | -                      | -                             | (1,737)                  | (1,737)                |
| Total comprehensive income for the period | -                                     | (1,737)  | -                      | 6,347                         | 4,610                    | 4,610                  |
| Dividend on ordinary shares               | -                                     | -  | -                      | (577)                         | (577)                    | (577)                  |
| At 31 December 2023                       | 13,145                                | (24,304)                                       | 6,997                  | 160,299                       | 142,992                  | 156,137                |

|   | Attributable to owners of the Company |                               |                          | Total equity<br>\$'000 |
|---|---------------------------------------|-------------------------------|--------------------------|------------------------|
|   | Share capital<br>\$'000               | Accumulated profits<br>\$'000 | Total reserves<br>\$'000 |                        |
| <b>Company</b>  |                                       |                               |                          |                        |
| At 1 July 2022  | 13,145                                | 29,509                        | 29,509                   | 42,654                 |
| Profit for the period, representing total comprehensive income for the period | -                                     | 8,145                         | 8,145                    | 8,145                  |
| Dividend on ordinary shares   | -                                     | (4,038)                       | (4,038)                  | (4,038)                |
| At 31 December 2022   | 13,145                                | 33,616                        | 33,616                   | 46,761                 |
| At 1 July 2023  | 13,145                                | 38,796                        | 38,796                   | 51,941                 |
| Profit for the period, representing total comprehensive income for the period | -                                     | 11,595                        | 11,595                   | 11,595                 |
| Dividend on ordinary shares   | -                                     | (577)                         | (577)                    | (577)                  |
| At 31 December 2023   | 13,145                                | 49,814                        | 49,814                   | 62,959                 |

## **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 ended 31 December 2023 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 ended 31 December 2023 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 annual financial statements for the year ended 30 June 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 period.

**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<br>31 Dec 2023 | 6 mths ended<br>31 Dec 2022 | 6 mths ended<br>31 Dec 2023      | 6 mths ended<br>31 Dec 2022 | 6 mths ended<br>31 Dec 2023  | 6 mths ended<br>31 Dec 2022 | 6 mths ended<br>31 Dec 2023 | 6 mths ended<br>31 Dec 2022 |
|                                     | \$'000                      | \$'000                      | \$'000                           | \$'000                      | \$'000                       | \$'000                      | \$'000                      | \$'000                      |
| <b>Primary geographical markets</b> |                             |                             |                                  |                             |                              |                             |                             |                             |
| China                               | 415                         | 242                         | 29,299                           | 28,841                      | 926                          | 957                         | 30,640                      | 30,040                      |
| Singapore                           | 25                          | 13                          | 13                               | 333                         | 278                          | 237                         | 316                         | 583                         |
| ASEAN (excluding Singapore)         | 12,154                      | 18,077                      | 784                              | 710                         | 3,932                        | 5,981                       | 16,870                      | 24,768                      |
| USA, Europe and others              | 26                          | 36                          | 13,739                           | 10,752                      | 26,600                       | 27,976                      | 40,365                      | 38,764                      |
|                                     | 12,620                      | 18,368                      | 43,835                           | 40,636                      | 31,736                       | 35,151                      | 88,191                      | 94,155                      |
| <b>Timing of transfer of goods</b>  |                             |                             |                                  |                             |                              |                             |                             |                             |
| At a point in time                  | 12,620                      | 18,368                      | 43,835                           | 40,636                      | 31,736                       | 35,151                      | 88,191                      | 94,155                      |

\*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 31 Dec 2023<br>\$'000 | 6 mths ended 31 Dec 2022<br>\$'000 | 6 mths ended 31 Dec 2023<br>\$'000 | 6 mths ended 31 Dec 2022<br>\$'000 | 6 mths ended 31 Dec 2023<br>\$'000 | 6 mths ended 31 Dec 2022<br>\$'000 | 6 mths ended 31 Dec 2023<br>\$'000 | 6 mths ended 31 Dec 2022<br>\$'000 | 6 mths ended 31 Dec 2023<br>\$'000 | 6 mths ended 31 Dec 2022<br>\$'000 |
| <b>Revenue</b>                                |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
| External customers                            | 12,620                             | 18,368                             | 43,835                             | 40,636                             | 31,736                             | 35,151                             | -                                  | -                                  | 88,191                             | 94,155                             |
| Inter-segment                                 | 393                                | 358                                | 14,298                             | 8,406                              | 5,365                              | 6,305                              | (20,056)                           | (15,069)                           | -                                  | -                                  |
| Total revenue                                 | 13,013                             | 18,726                             | 58,133                             | 49,042                             | 37,101                             | 41,456                             | (20,056)                           | (15,069)                           | 88,191                             | 94,155                             |
| Segment profit                                | 2,471                              | 3,109                              | 8,581                              | 6,881                              | 6,213                              | 5,947                              |                                    |                                    | 17,265                             | 15,937                             |
| Distribution and selling expenses             | (205)                              | (332)                              | (712)                              | (735)                              | (515)                              | (635)                              |                                    |                                    | (1,432)                            | (1,702)                            |
| Unallocated other income                      |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 1,933                              | 1,946                              |
| Unallocated expenses                          |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | (9,923)                            | (8,206)                            |
| Profit from operations                        |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 7,843                              | 7,975                              |
| Financial expenses                            |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | (62)                               | (207)                              |
| Share of profit/(loss) in joint venture       |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 58                                 | (66)                               |
| Income tax expense                            |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | (1,492)                            | (1,642)                            |
| Profit for the period                         |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 6,347                              | 6,060                              |
| <b>Assets</b>                                 |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
| Trade receivables                             | 3,736                              | 4,844                              | 23,894                             | 21,407                             | 11,764                             | 12,608                             |                                    |                                    | 39,394                             | 38,859                             |
| Unallocated assets                            |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 166,543                            | 168,883                            |
| Total assets                                  |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 205,937                            | 207,742                            |
| <b>Liabilities</b>                            |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
| Provision for defects                         | 149                                | 266                                | 515                                | 589                                | 373                                | 510                                |                                    |                                    | 1,037                              | 1,365                              |
| Unallocated liabilities                       |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 48,763                             | 53,939                             |
| Total liabilities                             |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 49,800                             | 55,304                             |
| <b>Other segment information</b>              |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |
| Depreciation of plant and machinery           | 580                                | 854                                | 2,015                              | 1,890                              | 1,458                              | 1,634                              |                                    |                                    | 4,053                              | 4,378                              |
| Unallocated depreciation of other assets      |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 1,394                              | 1,346                              |
| Depreciation expense for the financial period |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 5,447                              | 5,724                              |

\* Others – include data storage, telecommunications and others

**5. Profit before tax**

5.1 Significant items

|  | <b>Group</b>                        |                                     |
|--|-------------------------------------|-------------------------------------|
|  | <b>6 mths ended<br/>31 Dec 2023</b> | <b>6 mths ended<br/>31 Dec 2022</b> |
|  | <b>\$'000</b>                       | <b>\$'000</b>                       |
| Sales of scrap   | 1,213                               | 1,286                               |
| Interest income  | 408                                 | 177                                 |
| Gain/(Loss) on disposal of property, plant and equipment | 139                                 | (16)                                |
| Gain on early termination of lease                       | 21                                  | 31                                  |
| Government grants  | 90                                  | 410                                 |
| Depreciation of property, plant and equipment            | (5,447)                             | (5,724)                             |
| Depreciation of right-of-use assets                      | (521)                               | (853)                               |
| Provision of inventory obsolescence                      | (122)                               | (791)                               |
| (Provision)/Write-back of provision for defects          | (209)                               | 256                                 |
| Foreign exchange (loss)/gain, net                        | (1,118)                             | 486                                 |

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**

|   | <b>Group</b>                        |                                     |
|---|-------------------------------------|-------------------------------------|
|   | <b>6 mths ended<br/>31 Dec 2023</b> | <b>6 mths ended<br/>31 Dec 2022</b> |
|   | <b>\$'000</b>                       | <b>\$'000</b>                       |
| Current income tax expense  | 2,529                               | 1,549                               |
| Deferred income tax expense relating to origination and reversal of temporary differences | (1,037)                             | 93                                  |
|   | <u>1,492</u>                        | <u>1,642</u>                        |

**7. Dividends**

|   | <b>Group and Company</b>            |                                     |
|---|-------------------------------------|-------------------------------------|
|   | <b>6 mths ended<br/>31 Dec 2023</b> | <b>6 mths ended<br/>31 Dec 2022</b> |
|   | <b>\$'000</b>                       | <b>\$'000</b>                       |
| <b>Declared and paid during the period</b>  |                                     |                                     |
| <b>Dividend on Ordinary Shares:</b>   |                                     |                                     |
| Final exempt (one-tier) dividend for FY2023 of 0.50 (FY2022: 3.50) cents per ordinary share | 577                                 | 4,038                               |
|   | <u>577</u>                          | <u>4,038</u>                        |

## 8. Net Asset Value

|                                    | Group                     |                           | Company                   |                           |
|------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                    | 31 Dec<br>2023<br>(cents) | 30 Jun<br>2023<br>(cents) | 31 Dec<br>2023<br>(cents) | 30 Jun<br>2023<br>(cents) |
| Net asset value per ordinary share | 135.34                    | 131.85                    | 54.57                     | 45.02                     |

Net asset value per ordinary share was based on 115,365,000 ordinary shares in issue as at 31 December 2023 (30 June 2023 : 115,365,000).

## 9. Property, plant and equipment

During the six months ended 31 December 2023, the Group acquired property, plant and equipment with an aggregated cost of \$2,130,000 (31 December 2022: \$3,390,000). The net book value of the assets disposed by the Group during the six months ended 31 December 2023 were \$142,000 (31 December 2022: \$22,000).

## 10. Loans and borrowings

|   | Group                    |                          | Company                  |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | 31 Dec<br>2023<br>\$'000 | 30 Jun<br>2023<br>\$'000 | 31 Dec<br>2023<br>\$'000 | 30 Jun<br>2023<br>\$'000 |
| <b>Current:</b>                             |                          |                          |                          |                          |
| Obligations under hire purchase arrangement | 35                       | 40                       | 35                       | 40                       |
| Bank loans                                  |                          |                          |                          |                          |
| - 2.00% p.a. fixed rate SGD bank loan       | 1,287                    | 1,250                    | 1,287                    | 1,250                    |
| - 3.45% p.a. fixed rate CNY bank loan       | 209                      | -                        | -                        | -                        |
|   | 1,531                    | 1,290                    | 1,322                    | 1,290                    |
| <b>Non-current:</b>                         |                          |                          |                          |                          |
| Obligations under hire purchase arrangement | 205                      | -                        | 205                      | -                        |
| Bank loans                                  |                          |                          |                          |                          |
| - 2.00% p.a. fixed rate SGD bank loan       | 1,263                    | 1,922                    | 1,263                    | 1,922                    |
|   | 1,468                    | 1,922                    | 1,468                    | 1,922                    |
| Total loans and borrowings                  | 2,999                    | 3,212                    | 2,790                    | 3,212                    |

### 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.

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

### 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 2.48% (30 June 2023: 2.28%) per annum.

## 11. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 30 June 2023:

|   | Group                    |                          | Company                  |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | 31 Dec<br>2023<br>\$'000 | 30 Jun<br>2023<br>\$'000 | 31 Dec<br>2023<br>\$'000 | 30 Jun<br>2023<br>\$'000 |
| <b>Financial assets</b>                               |                          |                          |                          |                          |
| Trade receivables *                                   | 38,658                   | 38,741                   | 5,733                    | 6,150                    |
| Other receivables and deposits *                      | 2,399                    | 2,142                    | 103                      | 105                      |
| Due from subsidiaries                                 | -                        | -                        | 505                      | 312                      |
| Loan to subsidiaries                                  | -                        | -                        | 3,960                    | -                        |
| Cash and cash equivalents                             | 50,658                   | 46,423                   | 9,748                    | 3,438                    |
| Total financial assets carried at amortised cost      | <u>91,715</u>            | <u>87,306</u>            | <u>20,049</u>            | <u>10,005</u>            |
| <b>Financial liabilities</b>                          |                          |                          |                          |                          |
| Trade payables  | 18,597                   | 18,962                   | 226                      | 140                      |
| Other payables and accruals #                         | 17,792                   | 20,428                   | 2,130                    | 2,644                    |
| Due to subsidiaries                                   | -                        | -                        | 7,742                    | 7,644                    |
| Loans and borrowings                                  | 2,999                    | 3,212                    | 2,790                    | 3,212                    |
| Total financial liabilities carried at amortised cost | <u>39,388</u>            | <u>42,602</u>            | <u>12,888</u>            | <u>13,640</u>            |

\* Excludes GST receivables, tax recoverable

# Excludes provision for unutilised annual leave

## 12. Share Capital

|  | Group and Company     |                       |
|--|-----------------------|-----------------------|
|  | 31 Dec 2023<br>\$'000 | 30 Jun 2023<br>\$'000 |
| Issued and fully paid                    |                       |                       |
| At beginning and end of financial period |                       |                       |
| - 115,365,000 ordinary shares            | <u>13,145</u>         | <u>13,145</u>         |

The total number of issued shares excluding treasury shares as at 31 December 2023 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 period ended 31 December 2023.

There were no treasury shares as at 31 December 2023 and 30 June 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 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 31 December 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for 6-month 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

Although the remaining Covid-19 restrictions were removed across the world in early 2023, the expected rebound in demand remained weak for the major economies due to uncertainties caused by the conflict in Europe and the Middle East. Continued trade tensions, inflation and rising interest rates compounded the challenges as consumers moderated their demand for goods and services.

As market conditions remained challenging, the Group's revenue declined 6.3% to \$88.2 million in H1 FY2024 over the preceding half year. The Group's business segments recorded mixed performances as overall demand continued to remain soft. The MA business segment achieved a growth of 7.9% aided by temporary seasonal year-end restocking of certain products. The general business slowdown and weakness in demand affected the IP and CP as their revenues declined 31.5% and 9.7% respectively to \$12.6 million and \$31.8 million in H1 FY2024.

| Revenue by Business Sector            | H1 FY2024<br>S\$'m<br>(1) | H1 FY2023<br>S\$'m<br>(2) | H2 FY2023<br>S\$'m<br>(3) | Change<br>(1-2) / (2)<br>(%) |
|---------------------------------------|---------------------------|---------------------------|---------------------------|------------------------------|
| Imaging and Printing (IP)             | 12.6                      | 18.4                      | 13.4                      | -31.5%                       |
| Machinery and Automotive Systems (MA) | 43.8                      | 40.6                      | 40.7                      | +7.9%                        |
| Consumer Product and Others (CP)      | 31.8                      | 35.2                      | 35.1                      | -9.7%                        |
| Total                                 | 88.2                      | 94.2                      | 89.2                      | -6.3%                        |

#### Profitability

The revenue decline of 6.3% in H1 FY2024 was matched by a reduction of 9.3% in the cost of sales. Through prudent and careful management of input costs, the Group was able to lift the gross profit margin from 16.9% in H1 FY2023 to 19.6% in H1 FY2024. Distribution, selling and administrative expenses were carefully managed, and they largely fell with the lower revenue. However, the weakening of the US Dollar during this half year period increased the foreign exchange loss by \$1.6 million.

The repayment of bank borrowings resulted in lower financial expenses. Continuous improvement in the performance of the plastic injection operations in Vietnam enabled a modest positive contribution from this joint venture. The reversal of deferred tax liability at an overseas subsidiary enable the Group to lower its effective tax rate to 19%. Although the Group's revenue declined in H1 FY2024, prudent cost management and a lower group effective tax contributed to a 4.7% rise in net profit to \$6.3 million.

### **Cash Flow & Balance Sheet**

For the six months ended 31 December 2023, the net cash inflow from operating activities improved to \$8.4 million compared to the same 6-month period last year. A sum of \$2.0 million was paid for the purchase of property, plant and equipment to selectively add capacity in support of key customers. Cash was also deployed for the distribution of dividends and repayment of loans and borrowings. After these cash outflows, a net increase of \$5.4 million was recorded for cash and cash equivalents. This increased the cash and cash equivalents of the Group to \$50.7 million as at 31 December 2023.

Bank loans and borrowings were actively repaid with operating cash flow from FY2023 and consequently, total loans and borrowings declined to \$3.0 million as at 31 December 2023. The Group will use its strong balance sheet to selectively invest and improve its competitive position in the long term.

**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.**

With ongoing conflicts in Ukraine and the Middle East, nor the trade tension easing, the Group expects the cautious and uncertain business environment to continue for the rest of the current financial year. High interest rates and continuing inflationary pressures will add to these challenges, further dampening demand from consumers and businesses in the near term.

The Group will continue to be conservative in managing its cash position, but will invest in equipment, work processes and its human capital to achieve developments in its core competencies to reposition for growth. The Group is actively working with its existing and potential customers to support their strategies in the markets they serve.

**5. Dividend information**

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

Any dividend recommended for the current financial period reported on?

No

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

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

No

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

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

No interim dividend has been declared or recommended in the current reporting period.

**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 by the Board of Directors pursuant to Rule 705(5) of the listing manual.**

The Board confirms that, to the best of their knowledge, nothing has come to their attention which may render the interim financial statements for the half year ended 31 December 2023, to be false or misleading in any material aspect

**9. 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.

**BY ORDER OF THE BOARD**

Tan Choo Pie @ Tan Chang Chai  
Chairman  
6 February 2024