



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

Condensed Interim Financial Statements
For 6 months ended 31 December 2024

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

	Note	GROUP		Increase/ (Decrease) %
		6 mths ended 31 Dec 2024 \$'000	6 mths ended 31 Dec 2023 \$'000	
Revenue	4	92,325	88,191	4.7
Cost of sales		(73,532)	(70,926)	3.7
Gross profit		18,793	17,265	8.9
Other income		3,214	1,933	66.3
Distribution and selling expenses		(1,572)	(1,432)	9.8
Administrative expenses		(11,999)	(9,923)	20.9
Profit from operations		8,436	7,843	7.6
Financial expenses		(76)	(62)	22.6
Share of profit in joint venture		45	58	(22.4)
Profit before tax	5	8,405	7,839	7.2
Income tax expense	6	(1,647)	(1,492)	10.4
Profit for the period		6,758	6,347	6.5
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation		3,173	(1,737)	NM
Total comprehensive income attributable to:				
Owners of the Company		9,931	4,610	115.4
Earnings per share attributable to owners of the Company (cents per share)				
- Basic		5.86	5.50	
- Diluted		5.86	5.50	

Note: NM – Not Meaningful

B. Condensed Interim Statements of Financial Position

	Note	GROUP		COMPANY	
		31 Dec 2024 \$'000	30 Jun 2024 \$'000	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Non-current assets					
Property, plant and equipment	9	77,969	78,727	464	514
Right-of-use assets		5,575	5,718	130	176
Loan to subsidiaries		-	-	4,372	4,223
Investment in subsidiaries		-	-	58,315	52,749
Investment in joint venture		1,444	1,399	1,681	1,681
		<u>84,988</u>	<u>85,844</u>	<u>64,962</u>	<u>59,343</u>
Current assets					
Inventories		28,788	29,445	1,926	2,740
Trade receivables		42,730	42,956	5,345	6,442
Other receivables and deposits		1,033	1,686	105	105
Prepayments		9,460	4,316	18	36
Due from subsidiaries (non-trade)		-	-	603	292
Due from subsidiaries (trade)		-	-	1	2
Cash and cash equivalents		61,982	60,950	14,987	10,670
		<u>143,993</u>	<u>139,353</u>	<u>22,985</u>	<u>20,287</u>
Current liabilities					
Trade payables		21,610	22,145	134	122
Other payables and accruals		19,480	20,710	2,427	3,692
Refund liabilities		2,183	2,284	1,574	1,572
Provision for defects		1,183	1,448	-	-
Due to subsidiaries (trade)		-	-	6,899	7,910
Due to subsidiaries (non-trade)		-	-	-	1
Loans and borrowings	10	3,982	3,820	1,322	1,310
Lease liabilities		602	538	94	92
Provision for tax		671	1,664	-	-
		<u>49,711</u>	<u>52,609</u>	<u>12,450</u>	<u>14,699</u>
Net current assets		<u>94,282</u>	<u>86,744</u>	<u>10,535</u>	<u>5,588</u>
Non-current liabilities					
Loans and borrowings	10	1,069	838	174	838
Lease liabilities		215	335	40	87
Deferred tax liabilities		4,164	4,383	7	7
Provision for restoration costs		236	262	-	-
		<u>5,684</u>	<u>5,818</u>	<u>221</u>	<u>932</u>
Net assets		<u>173,586</u>	<u>166,770</u>	<u>75,276</u>	<u>63,999</u>
Equity attributable to owners of the Company					
Share capital	11	13,145	13,145	13,145	13,145
Reserves		160,441	153,625	62,131	50,854
Total equity		<u>173,586</u>	<u>166,770</u>	<u>75,276</u>	<u>63,999</u>

C. Condensed Interim Consolidated Statement of Cash Flows

	GROUP	
	6 mths ended 31 Dec 2024 \$'000	6 mths ended 31 Dec 2023 \$'000
Operating activities		
Profit before tax	8,405	7,839
Adjustments for:		
Depreciation of property, plant and equipment	5,484	5,447
Depreciation of right-of-use assets	377	521
Gain on disposal of property, plant and equipment	(102)	(139)
Gain on early termination of lease	-	(21)
Interest expense	76	62
Interest income	(511)	(408)
(Reversal of)/provision for inventory obsolescence	(215)	122
(Write-back)/provision for defects	(283)	209
Share of profit in joint venture	(45)	(58)
Unrealised exchange loss	1,131	2,105
Operating cash flows before changes in working capital	14,317	15,679
(Increase)/decrease in:		
Inventories	1,342	439
Trade receivables	1,488	(2,228)
Other receivables and deposits	667	(277)
Prepayments	(5,066)	(1,828)
(Decrease)/increase in:		
Trade payables	(782)	234
Other payables and accruals	(2,112)	(2,446)
Cash flows from operations	9,854	9,573
Income taxes paid	(3,072)	(1,552)
Interest paid	(61)	(34)
Interest received	511	408
Net cash flows generated from operating activities	7,232	8,395
Investing activities		
Purchase of property, plant and equipment (Note A)	(2,716)	(2,004)
Proceeds from disposal of property, plant and equipment	111	281
Net cash flows used in investing activities	(2,605)	(1,723)
Financing activities		
Dividend paid on ordinary shares	(3,115)	(577)
Repayment of principal obligations under lease liabilities	(303)	(420)
Interest paid on lease liabilities	(15)	(28)
Proceed from loans and borrowings	1,272	451
Repayment of loans and borrowings	(875)	(665)
Net cash flows used in financing activities	(3,036)	(1,239)
Net increase in cash and cash equivalents	1,591	5,433
Cash and cash equivalents at beginning of financial period	60,950	46,423
Currency alignment on opening cash balances	(559)	(1,198)
Cash and cash equivalents at end of financial period	61,982	50,658

Note A:

The additions to property, plant and equipment of \$3,096,000 (30 June 2024: \$12,530,000) for the Group during financial period includes \$1,965,000 (30 June 2024: \$1,585,000) 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 \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Reserve fund \$'000	Accumulated profits \$'000	Total reserves \$'000	
Group						
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
At 1 July 2024	13,145	(22,892)	6,997	169,520	153,625	166,770
Profit for the period	-	-	-	6,758	6,758	6,758
Other comprehensive income for the period	-	3,173	-	-	3,173	3,173
Total comprehensive income for the period	-	3,173	-	6,758	9,931	9,931
Dividend on ordinary shares	-	-	-	(3,115)	(3,115)	(3,115)
At 31 December 2024	13,145	(19,719)	6,997	173,163	160,441	173,586

	Attributable to owners of the Company			Total equity \$'000
	Share capital \$'000	Accumulated profits \$'000	Total reserves \$'000	
Company				
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
At 1 July 2024	13,145	50,854	50,854	63,999
Profit for the period, representing total comprehensive income for the period	-	14,392	14,392	14,392
Dividend on ordinary shares	-	(3,115)	(3,115)	(3,115)
At 31 December 2024	13,145	62,131	62,131	75,276

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 2024 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Company are to carry on the business as importer and exporter of precision machine parts and other engineering materials. 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 2024 of the Group have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting*. 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 2024.

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 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.3 *Significant accounting 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. 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 2024. 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 are no significant judgments made in applying accounting estimates and policies 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 31 Dec 2024	6 mths ended 31 Dec 2023	6 mths ended 31 Dec 2024	6 mths ended 31 Dec 2023	6 mths ended 31 Dec 2024	6 mths ended 31 Dec 2023	6 mths ended 31 Dec 2024	6 mths ended 31 Dec 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets								
China	210	415	30,466	29,299	1,087	926	31,763	30,640
Singapore	11	25	-	13	278	278	289	316
ASEAN (excluding Singapore)	14,933	12,154	1,426	784	4,894	3,932	21,253	16,870
USA, Europe and others	47	26	13,610	13,739	25,363	26,600	39,020	40,365
	15,201	12,620	45,502	43,835	31,622	31,736	92,325	88,191
Timing of transfer of goods								
At a point in time	15,201	12,620	45,502	43,835	31,622	31,736	92,325	88,191

*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 2024 \$'000	6 mths ended 31 Dec 2023 \$'000	6 mths ended 31 Dec 2024 \$'000	6 mths ended 31 Dec 2023 \$'000	6 mths ended 31 Dec 2024 \$'000	6 mths ended 31 Dec 2023 \$'000	6 mths ended 31 Dec 2024 \$'000	6 mths ended 31 Dec 2023 \$'000	6 mths ended 31 Dec 2024 \$'000	6 mths ended 31 Dec 2023 \$'000
Revenue										
External customers	15,201	12,620	45,502	43,835	31,622	31,736	-	-	92,325	88,191
Amend/Inter-segment	347	393	10,861	14,298	6,573	5,365	(17,781)	(20,056)	-	-
Total revenue	15,548	13,013	56,363	58,133	38,195	37,101	(17,781)	(20,056)	92,325	88,191
Segment profit	3,094	2,471	9,261	8,581	6,438	6,213			18,793	17,265
Distribution and selling expenses	(259)	(205)	(775)	(712)	(538)	(515)			(1,572)	(1,432)
Unallocated other income									3,214	1,933
Unallocated expenses									(11,999)	(9,923)
Profit from operations									8,436	7,843
Financial expenses									(76)	(62)
Share of profit in joint venture									45	58
Income tax expense									(1,647)	(1,492)
Profit for the period									6,758	6,347
Assets										
Trade receivables	4,352	3,736	23,927	23,894	14,451	11,764			42,730	39,394
Unallocated assets									186,251	166,543
Total assets									228,981	205,937
Liabilities										
Provision for defects	195	149	583	515	405	373			1,183	1,037
Unallocated liabilities									54,212	48,763
Total liabilities									55,395	49,800
Other segment information										
Depreciation of plant and machinery	675	580	2,021	2,015	1,405	1,458			4,101	4,053
Unallocated depreciation of other assets									1,383	1,394
Depreciation expense for the financial period									5,484	5,447

* Others – include data storage, telecommunications and others

5. Profit before tax

5.1 Significant items

	Group	
	6 mths ended 31 Dec 2024	6 mths ended 31 Dec 2023
	\$'000	\$'000
Sales of scrap	1,431	1,213
Interest income	511	408
Interest expense	(76)	(62)
Gain on disposal of property, plant and equipment	102	139
Gain on early termination of lease	-	21
Government grants	891	90
Depreciation of property, plant and equipment	(5,484)	(5,447)
Depreciation of right-of-use assets	(377)	(521)
Reversal of/(provision for) inventory obsolescence	215	(122)
Write-back/(provision) for defects	283	(209)
Foreign exchange loss, net	(2,080)	(1,118)

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	
	6 mths ended 31 Dec 2024	6 mths ended 31 Dec 2023
	\$'000	\$'000
Current income tax expense	2,040	2,529
Deferred income tax expense relating to origination and reversal of temporary differences	(393)	(1,037)
	<u>1,647</u>	<u>1,492</u>

7. Dividends

	Group and Company	
	6 mths ended 31 Dec 2024	6 mths ended 31 Dec 2023
	\$'000	\$'000
Declared and paid during the period		
Dividend on Ordinary Shares:		
Final exempt (one-tier) dividend for FY2024 of 2.70 (FY2023: 0.50) cents per ordinary share	3,115	577
	<u>3,115</u>	<u>577</u>

8. Net Asset Value

	Group		Company	
	31 Dec 2024 (cents)	30 Jun 2024 (cents)	31 Dec 2024 (cents)	30 Jun 2024 (cents)
Net asset value per ordinary share	150.47	144.56	65.25	55.48

Net asset value per ordinary share was based on 115,365,000 ordinary shares in issue as at 31 December 2024 (30 June 2024 : 115,365,000).

9. Property, plant and equipment

During the six months ended 31 December 2024, the Group acquired property, plant and equipment with an aggregated cost of \$3,096,000 (31 December 2023: \$2,130,000). The net book value of the assets disposed by the Group during the six months ended 31 December 2024 were \$8,000 (31 December 2023: \$142,000).

10. Loans and borrowings

	Group		Company	
	31 Dec 2024 \$'000	30 Jun 2024 \$'000	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current:				
Obligations under hire purchase arrangement	35	35	35	35
Bank loans				
- 2.00% p.a. fixed rate SGD bank loan	1,287	1,275	1,287	1,275
- 3.45% p.a. fixed rate CNY bank loan	2,275	2,510	-	-
- 3.20% p.a. fixed rate CNY bank loan	385	-	-	-
	<u>3,982</u>	<u>3,820</u>	<u>1,322</u>	<u>1,310</u>
Non-current:				
Obligations under hire purchase arrangement	174	191	174	191
Bank loans				
- 2.00% p.a. fixed rate SGD bank loan	-	647	-	647
- 3.20% p.a. fixed rate CNY bank loan	895	-	-	-
	<u>1,069</u>	<u>838</u>	<u>174</u>	<u>838</u>
Total loans and borrowings	<u>5,051</u>	<u>4,658</u>	<u>1,496</u>	<u>2,148</u>

2.00% 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 2.00% 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 US\$5,000,000 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)

3.20% p.a. fixed rate CNY bank loan

The 3 years bank loan which was taken up by a subsidiary in China for the purchase of machinery during the period. The loan is secured by the machinery, bears fixed interest of 3.20% per annum and interest is payable on monthly basis. The loan is to be repaid on every 6 months over a period of 3 years.

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% (30 June 2024: 2.78%) per annum.

11. Share Capital

	Group and Company	
	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Issued and fully paid		
At beginning and end of financial period		
- 115,365,000 ordinary shares	13,145	13,145

The total number of issued shares excluding treasury shares as at 31 December 2024 was 115,365,000 (30 June 2024: 115,365,000).

There were no sales, transfers, disposal, cancellation, and/or use of treasury shares for the financial period ended 31 December 2024.

There were no treasury shares as at 31 December 2024 and 30 June 2024.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 30 June 2024.

12. 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 2024 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

Market conditions remained weak and volatile for the six months ended 31 December 2024. Although overall demand remained subdued, the Group managed to achieve revenue growth of 4.7% to \$92.3 million in H1 FY2025 over the preceding half year. Some demand was brought forward in anticipation of higher tariffs to come. Orders were uneven across the different customer and product segments, with some recording modest growth and others some decline.

The MA business segment recorded growth of 3.9% with higher shipments to existing and new customers. Back in FY2024, customers in the IP business segment experienced a degree of overstocking and as inventory was reduced during FY2024, orders rebounded in H1 FY2025 for a revenue growth of 20.6% off a relatively low base. The CP business segment comprises a larger number of items with mixed performance, with overall revenue remaining stable.

Revenue by Business Segment	H1 FY2025 \$'m (1)	H1 FY2024 \$'m (2)	H2 FY2024 \$'m (3)	Change (1-2) / (2) (%)
Imaging & Printing (IP)	15.2	12.6	14.0	+20.6%
Machinery and Automotive Systems (MA)	45.5	43.8	46.9	+3.9%
Consumer Products & Others (CP)	31.6	31.8	31.2	-0.6%
Total	92.3	88.2	92.1	+4.7%

Profitability

With modest growth in revenue and relatively stable well controlled input costs, gross profit margin improved from 19.6% to 20.4% in H1 FY2025. Other operating income benefited from a subsidy received from the local government in Nantong, China in relation to the land purchased for the Nantong plant. Higher distribution and selling expenses were incurred due to higher freight charges partly related to the higher revenue. Weakness in the US Dollar resulted in a higher foreign exchange loss, contributing to the increase in administrative expenses.

With stable and low financial expenses, and the joint venture in Vietnam remaining profitable, profit before tax rose 7.2% to \$8.4 million. Although the effective group tax rate of 19.6% is marginally higher, net profit increased 6.5% to \$6.8 million in H1 FY2025.

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

Cash Flow & Balance Sheet

With the emphasis on improving operational cash conversion, the Group's net cash inflows generated from operating activities at \$7.2 million remained strong for the six months ended 31 December 2024. After the purchase of property, plant and equipment, and dividend payment, the net increase in cash and cash equivalents totalled \$1.6 million.

The current and non-current assets of the Group remained stable as at 31 December 2024. Arising from the net cash inflow, the Group's cash and cash equivalents rose marginally to about \$62.0 million. With total loans and borrowings remaining low at \$5.1 million as at 31 December 2024, the Group is in a strong financial position to capitalise on investment opportunities to strengthen its long term competitive position.

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 overall business environment is likely to remain challenging and uncertain in the short and medium term, both due to a softening market and also with new geopolitical tensions and tariffs. Inflationary conditions could linger for much longer, and the correspondingly elevated interest rates could further hamper demand.

With demand likely to remain soft, pressure on prices will continue. In response, the Group will continue to enhance its operating efficiency by improving its work processes and maintaining an optimal network of manufacturing plants in Asia to support any new as well as relocation of orders to ASEAN.

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 2024, 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
11 February 2025