SPRINTEX LIMITED

ABN 38 106 337 559

Annual Report

For the year ended
30 June 2024

Contents

Corporate directory

Directors	Steven Apedaile (Executive Chairman) Jude Upton (Managing Director and CEO) Li Chen (Non-executive Director)
Company secretary	Michael van Uffelen
Notice of annual general meeting	The details of the annual general meeting of Sprintex Limited are: Suite 6, Level 1 251 Adelaide Terrace Perth, WA, 6100 Date of meeting to be determined
Registered office	Suite 6, Level 1 251 Adelaide Terrace Perth, WA, 6100 Tel: +61 8 9262 7277
Principal place of business	Suite 6, Level 1 251 Adelaide Terrace Perth, WA, 6100 Tel: +61 8 9262 7277
Auditor	PFK Brisbane Audit Level 2/66 Eagle St Brisbane QLD 4000
Share registry	Automic Registry Services Level 5, 126 Phillip Street Sydney NSW 2000 Tel: +61 2 9698 5414
Solicitors	Steinepreis Paganin Level 14/QV1 250 St Georges Terrace Perth WA 6000 Tel: +61 8 9321 4000
Bankers	National Australia Bank 100 St Georges Terrace Perth WA 6000 Tel: +61 8 9476 7676
ASX code	SIX
Website	www.sprintex.com.au

Directors' report

The directors present their report, together with the financial report of Sprintex Limited ("Company" or "Sprintex"), and the entities it controlled ("Group"), for the year ended 30 June 2024.

1. Directors

The names of directors who held office during or since the end of the financial year and until the date of this report are as follows:

- Mr Steven Apedaile – Executive Chairman
- Mr Jude Upton – Managing Director and CEO
- Mr Li Chen – Non-executive Director

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors including details of the qualifications of Directors please refer to section 10 Information on directors of this Directors' Report.

2. Principal activities

The principal activity of the Group for the financial year ended 30 June 2024 was the manufacture and distribution of clean air compressors, with a particular focus on industrial air and hydrogen fuel cell applications.

Refer to section 3 of this Directors' report for further commentary on principal activities during the year.

3. Operating and financial review

The Company was established in 2003 and listed on the ASX in 2008.

The Group's focus is the development and commercialisation of clean air compressors.

The Group's head office is in Perth, Western Australia.

The production facility in Malaysia in the 'Glenmarie' area of Shah Alam, Selangor was commissioned in January 2013 encompassing 1,800 sqm. Certified to ISO9008 and able to provide high volume quality parts and systems, supported by a highly trained production and engineering team, the Malaysian facility and its team have continued to grow and expand their knowledge and performance to provide a solid production platform for the Group. The Group also has a distribution and final assembly facility in Detroit, Michigan USA, where we can launch our products to the USA and Canadian markets. The facility of 400 sqm also provides customer support and sales and marketing for the region.

In 2021, the Group established Sprintex Energy Technology (Suzhou) Co., Ltd (Sprintex China). Sprintex China, is an engineering centre and production base for Sprintex in China. This facility comprises of a 1,500 sqm facility, focused on the design, development and production of high-speed electric compressors. High-speed electric compressors have rapidly increasing demands in clean emission transportation, clean energy/hydrogen fuel cell, and industrial applications.

Overview for the year

sHyPs Project

The Group continued delivery of the e-compressors as part of the ongoing European €14m sHyPs hydrogen powered cruise liner decarbonisation program (see ASX 11 April 2023).

The program is funded by the EU government and includes the re-powering of 6 cruise liners, each with 16 modular hydrogen fuel cell power units of approximately 6mW each for a total of 96mW per ship, requiring a total of 288 Sprintex compressors, expected to bring revenue to Sprintex of approximately $1.5 million for a six-ship trial, in 2025.

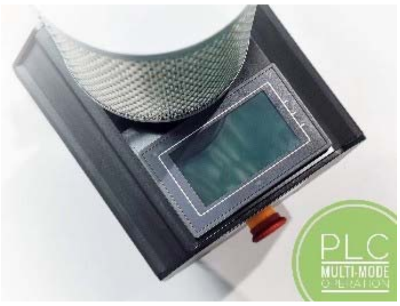
Lighter Smaller Quieter 27-40% Energy Saving Turbo Blowers

During the 2024 financial year, the Group continued durability and energy consumption testing and further technical development on its new G15 self-contained 3kW to 7.5kW general purpose industrial blower range (G15 Turbo Blower) with 'Smart Pulse Aeration' (Sprintex SPA™), to meet the needs of customers in additional market segments such as printed circuit board and semi-conductor production and air knife applications for the textile industry.

SAE standard testing verified that the G15 Turbo Blower outperforms conventional side-channel style blowers in terms of energy efficiency.

In constant speed operation, the G15 Turbo Blower showcases an impressive 27% energy saving, while incorporating the Sprintex SPA technology yields an even more remarkable 40% energy saving when compared to traditional systems.

Directors' report



PLC Multi-mode

Pulse Aeration Mode

Anti-surge Control

Smart Pulse Aeration (SPA™) mode allows the integral PLC to vary the air output based on the oxygen content of the water reducing energy wastage and ensuring high efficiency of the process. The Group also lodged a worldwide PCT (patent) application relating to this technology.

Durability of the G15 Turbo Blower is expected to exceed 4 times the lifespan of conventional side channel blowers and has the additional benefits of being ~70% lighter, 30% smaller and 10dB quieter than conventional units in the same application.

On 5 September 2023, the Group advised of the successful completion of testing, validation, and benchmarking for its innovative new G25 (25kW) stand-alone turbo-blower designed for wastewater aeration and industrial applications and during the 2024 financial year has added 37kw and 55kw designs to the G25 range, greatly increasing the range of applications in both industrial and environmental applications. Key points are:

- **Energy Efficiency Redefined:** G25 saves up to 30% energy in Smart Pulse Aeration mode, setting new standards for efficiency.
- **Extended Service Life:** Boasting an impressive 80,000-hour service life, ensuring long-term reliability.
- **Compact and Quiet:** G25 is smaller, lighter (1/3 weight of competitors), and quieter, reducing physical and carbon footprint.
- **Smart Pulse Technology:** Incorporates proprietary Smart Pulse Aeration tech for optimal performance and resource savings.
- **Debut:** The G25 Turbo-Blower was debuted at Dubai's WETEX Sustainability Event in November 2023.
- **Production**: Production of the G15 range began in July 2024, and is followed by the G25 in October, marking a milestone in advanced blower technology.

Photos of Sprintex's G25 turbo-blower

The new G25 turbo-blower boasts an impressive 80,000-hour service life. In terms of energy efficiency, it delivers outstanding results, saving 20% in energy during steady state operation and a remarkable 30% energy reduction during Smart Pulse Aeration operation when compared to competing products in similar applications. This leads to a lower total cost of ownership (TCO) and quicker cost payback.

The G25 belongs to the recently introduced G series blowers, which are characterised by their smaller size, quieter operation, and lighter weight (only 1/3 of the weight of the benchmarked product). The G- series blowers outshine their competitors in efficiency, resulting in reduced physical and carbon footprint, as well as substantial energy and operating cost savings.

One of the standout features of the G25 is its incorporation of the Company's proprietary Smart Pulse Aeration technology, accompanied by a user-friendly touchscreen interface, programmable logic controls, surge protection, safety alarms, and protection systems.

Directors' report

Volume Production

Sprintex has designed advanced production equipment at its E-compressor division to facilitate the high-volume production and sales of the advanced G-series industrial and wastewater blower range including several robot operated semi-automatic assembly stations and automated end of line testing for 100% of units. This range includes the recently introduced G15 in 4kW and 7.5kW versions, both of which are now available in either high pressure or high flow options, increasing the range of industrial and environmental applications, as well as the new larger G25, catering to a broader spectrum of system manufacturers and end users.

Production of the G15 range commenced in July, with the G25 to follow in October.

Sprintex is actively rolling out the marketing campaign for the new product line and participated in the IFAT Environmental Sustainability event in Munich Germany in May 2024 and WETEX Dubai in November 2023. The Germany event, which draws approximately 120,000 attendees and features around 6,000 exhibitors and Dubai WETEX event which drew some 50,000 attendees and 2,000 exhibitors, offer excellent platforms for showcasing these ground-breaking products.

Agriculture Project

In the agriculture sector, the Group was able to forge a relationship with European company Mest Water, securing a $1m evaluation of custom developed Sprintex G series blower. The company received a 50% (~A500k) deposit in June 2024, prior to commencement of the program. Mest has designed a patented system for the reduction of ammonia emissions from livestock manure, a mandated requirement in Netherlands, whilst enabling the extracted ammonia to be converted to agricultural fertilizer and the recovered water to be acceptable quality for disposal through regular drainage systems.

Mest water intends to expand their system to both smaller and larger scales, requiring 2 additional size specialty blowers from Sprintex, and presenting revenue potential of ~$150m over 5 years for Sprintex, for this individual application.

On 25 September 2024, the Group announced successful completion of hot environment testing under its A$1 million phase one evaluation contract with Mest Water and completion of a specialised test cell to support high-temperature compressor, testing for Mest Water's ammonia-reducing systems.

In addition, Sprintex expanded its market reach through a new distribution agreement for Türkiye, targeting the G-Series Jet blowers and intends to agree additional territories in the 2025 financial year. These agreements are expected to significantly increase Sprintex's presence in various geographical regions, contributing to the overall growth of the Group.

Future Outlook

Following the close of the financial year, Sprintex continued to build on its momentum across its G-Series blowers product lines. The Group announced further progress in the expansion of its production facilities, including re-purposing of sections of the Group's Malaysia facility from manufacture of twin-screw compressors to manufacture and assembly of the G Series high-speed electric blowers which is essential to meeting the growing demand for the G Series range. This expansion is on track for completion by early 2025, positioning Sprintex to capitalise on increased market demand.

Sprintex also provided a financial outlook, projecting significant revenue growth driven by the success of its G-Series Jet blowers, superchargers, and ongoing market expansion initiatives.

Conclusion

Over the 12 months ending 30 June 2024, Sprintex Limited made substantial progress, with both its G-Series Jet blowers and e-superchargers contributing to the Group's operational and financial success. Strategic partnerships, production expansions, and market growth initiatives across both product lines have positioned Sprintex for continued growth and enhanced shareholder value in the years ahead.

Directors' report

<u>Business Risks</u>

Reliance on Key Personnel

The Group's operational success will depend substantially on the continuing efforts of senior executives. The loss of services of one or more senior executives may have an adverse effect on the Group's operations. Furthermore, if the Group is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected. The Group seeks to mitigate this risk by issuing equity incentives to key staff in the form of performance rights which convert into ordinary shares upon key milestones being achieved.

Additional Requirements for Capital

The Group's capital requirements depend on numerous factors. Depending on the Group's ability to maintain its funds and/or generate income from its operations, the Group may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

Industry Risks

In the compressor and fuel cell industries, there are notable industry-specific risks that companies and stakeholders need to navigate. Firstly, in the compressor sector, technological advancements and market demands pose significant risks. Rapid changes in compressor technology and the need for energy efficiency can render existing products obsolete, requiring constant research and development investments to stay competitive. Moreover, intellectual property protection is crucial to safeguard innovative compressor designs. In the fuel cell industry, supply chain dependencies, especially concerning critical materials like platinum and rare earth elements, can disrupt production and increase costs. Regulatory uncertainties, related to safety standards and emissions regulations, can also impact market acceptance and investment decisions. Lastly, the unpredictable nature of hydrogen infrastructure development and governmental support can influence market growth and investments in fuel cell technology. Adapting strategies to mitigate these risks is vital for sustainable growth and success in these dynamic industries.

To offset the significant risks presented by new developments and rapidly changing circumstances in the relatively embryonic clean energy and hydrogen fuel cell industries, the Group has positioned its R&D and technology to be highly relevant in other more developed industry sectors, identifying applications for its newest range of high speed blowers and compressors in wastewater treatment, food processing, painting, packaging, plastics, printing and paper industries, mitigating industry risks to some extent.

4. Review of financial condition

The Group had $1,908,240 cash at bank as at 30 June 2024 (2023: $19,253). During the year ended 30 June 2024, the Group raised $1,170,725 net of capital raising costs, converted $2,917,750 of debt into equity and issued $195,000 in in lieu of services provided to the Group.

Refer to section 7 of the directors' report regarding funding raised subsequent to balance date.

5. Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group to the date of this report, not otherwise disclosed in this report.

6. Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

7. Significant events after balance date

On 5 July 2024, 8,500,000 shares were issued in relation to 8,500,000 options that were exercised at 3.5 cents per option at 30 June 2024. The issue of shares resulted in cash receipts of A$297,500.

On 10 July 2024, 5,500,000 shares were issued upon conversion of convertible notes for A$137,500 at $0.025 per share.

On 1 October 2024, the Group was suspended on the ASX due to the non-lodgement of the annual report. Upon lodgement of this annual report, it is anticipated that the Group will resume trading on the ASX.

On 8 October 2024, the Group repaid the loan owing to the bank in China for a total of RMB 1,500,000.

On 8 October 2024, the Group entered into a loan of A$350,000 repayable on or before 31 March 2025. The loan bears a 5% arrangement fee and an interest rate of 6% per annum.

Directors' report

Apart from the items above or within the financial statements at Note 32 Events subsequent to reporting period, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

8. Likely developments

The Group is focused on developing and producing clean air compressors and industrial blowers for a broad range of clean energy, environmental and industrial applications.

9. Environmental legislation

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

10. Information on directors

Mr Steven Apedaile	Executive Chairman (Appointed as director on 16 April 2021 & Chairman on 8 November 2021 & Executive Chairman on 8 July 2024)
Qualifications	FCA, MAICD
Experience and expertise:	Mr Apedaile has worked in the accounting profession for over 30 years. Mr Apedaile's experience included management advice, risk analysis, strategic planning, public listings, forensic accounting, M&A and general business advice.
Special responsibilities	Chairman
Interest in shares and options	12,362,529 Ordinary Shares 5,000,000 Class A Performance Rights 5,000,000 Class B Performance Rights 1,579,167 Options
Directorships held in other listed entities	ASX listed company directorships in the past 3 years: ▪ Nanoveu Limited – ASX: NVU (current)
Mr Jude Upton	Managing Director and CEO (Appointed on 16 April 2021)
Qualifications	Trade qualification (City and Guilds mechanical fitter)
Experience and expertise:	Mr Upton has a broad range of business managerial and technical engineering experience gained over a 20-year period working in the international automotive industry where he has amassed a network of international industry contacts. Prior to this, Mr Upton gained a further 20 years' experience in engineering management in the heavy mobile equipment sector and in both industrial and automotive high-performance engine engineering.
Special responsibilities	None
Interest in shares and options	5,592,288 Ordinary Shares 10,000,000 Class A Performance Rights 5,000,000 Class B Performance Rights 1,105,556 Options
Directorships held in other listed entities	None in the past 3 years
Mr Li Chen	Non-executive Director (Appointed on 16 April 2021)
Qualifications	MEng (UK), CQSE (PRC)
Experience and expertise:	Mr Chen has over 7 years' experience from an engineer to a managing director in mechatronics research and development, business development, project management, scheduling, budget control and resource planning. With a degree in Mechanical Engineering from University College London, Mr Chen is also qualified as a Senior New-energy Engineer (Ministry of Industry and information Technology, China). Mr Chen is fluent in Chinese and English.
Special responsibilities	None

Directors' report

Interest in shares and options	21,200,258	Ordinary Shares
	20,000,000	Class A Performance Rights
	5,000,000	Class B Performance Rights
	7,055,556	Options
Directorships held in other listed entities	None in the past 3 years	

11. Company Secretary

Mr van Uffelen is the CFO and company secretary. He holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant with over 30 years' experience gained with major accounting firms, investment banks and public companies.

12. Meetings of directors and committees

Name	Number of meetings eligible to attend	Number of meetings attended
Mr Steven Apedaile	4	4
Mr Jude Upton	4	4
Mr Li Chen	4	4

In addition to formal meetings, the directors have informal meetings and discussions.

13. Remuneration report (audited)

This remuneration report, which forms part of the directors' report, outlines the director and executive remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. The term "key management personnel" refers to those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of key management personnel

The directors and other key management personnel in office at any time during the financial year and up to the date of this report were:

Parent entity directors

- **Mr Steven Apedaile** Executive Chairman appointed on 8 July 2024 (appointed as director on 16 April 2021 & appointed Chairman on 8 November 2021)
- **Mr Jude Upton** Managing Director and CEO, appointed 16 April 2021
- **Mr Li Chen** Non-executive Director, appointed 16 April 2021

Other Key Management Personnel

- **Mr Michael van Uffelen** Chief Financial Officer and Company Secretary

Remuneration Policy

For the purposes of this report, the term key management personnel encompass the Directors and the Chief Financial Officer/Company Secretary.

Each Director of the Company is entitled to such remuneration from the Company as shareholders approve at the annual general meeting, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Company in a general meeting.

Directors' report

The Board of Directors of the Company is responsible for determining and reviewing remuneration arrangements for the directors and executives. The Board assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing director and executive team. Options can be issued as part of director and executive remuneration to encourage the alignment of personal and shareholder interests. The expected outcome of this remuneration structure is:

- Retention and motivation of Directors
- Performance rewards to allow Directors to share the rewards of the success of the Group
- Competitiveness and reasonableness
- Acceptability to shareholders

To incentivise the executives with the strategic objectives of the Group, and to align the interests of shareholders, the Company issues performance rights to the directors, management and staff, based on the Group achieving significant revenue milestones. The Board will continue to monitor appropriate incentive schemes, including cash and share ownership plans, for the Group in future years.

The Group has no policy on executives and directors entering contracts to hedge their exposure to options, shares or performance rights granted as part of their remuneration package.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

No external remuneration consultants have been engaged.

Voting and comments made at the company's 2023 Annual General Meeting ('AGM')

At the 2023 AGM, 99.8% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The aggregate remuneration for all non-executive Directors has been set at a maximum amount of $300,000 per annum.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually. All non-executive Directors do not receive retirement benefits.

All Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

Executive Directors and other Key Management Personnel Remuneration

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of Directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

Structure

While it is intended to achieve the remuneration structure as mentioned in the Remuneration Policy, due to the current nature and performance of the Group’s business operations, the rewards for Directors have no set or pre-determined performance conditions or key performance indicators as part of their remuneration.

Directors' report

Other key management personnel

Other key management personnel are remunerated in cash and are entitled to participate in any employee share ownership plans which may be introduced from time to time.

The remuneration of directors and executives is detailed under the heading "Compensation of Key Management Personnel" below.

Compensation of Key Management Personnel

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

2024 *Group KMP*	Short-term benefits			Long-term benefits	Post-employment benefits	Equity-settled share-based payments		Total	Proportion of remuneration performance based
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Long service leave	Super-annuation	Rights	Options		
	$	$	$	$	$	$	$	$	%
Executive directors									
Mr S Apedaile	60,000	-	-	-	-	7,101	-	67,101	10.58%
Mr J Upton	240,000	-	-	-	-	11,244	-	251,244	4.48%
Non-executive directors									
Mr L Chen	163,933	-	-	-	-	19,529	-	183,462	10.64%
Sub-total	463,933	-	-	-	-	37,874	-	501,807	
Other key management personnel									
Mr M van Uffelen	120,000	-	-	-	-	-	-	120,000	0.00%
Sub-total	120,000	-	-	-	-	-	-	120,000	
Total	583,933	-	-	-	-	37,874	-	621,807	

(1) In respect to equity-settled share-based payments, Mr S Apedaile was issued 10,000,000 performance rights (5,000,000 Class A and 5,000,000 Class B) in accordance with terms and conditions as detailed in Note 23.

(2) In respect to equity-settled share-based payments, Mr J Upton was issued 15,000,000 performance rights (10,000,000 Class A and 5,000,000 Class B) in accordance with terms and conditions as detailed in Note 23.

(3) In respect to equity-settled share-based payments, Mr L Chen was issued 25,000,000 performance rights (20,000,000 Class A and 5,000,000 Class B) in accordance with terms and conditions as detailed in Note 23.

2023 *Group KMP*	Short-term benefits			Long-term benefits	Post-employment benefits	Equity-settled share-based payments		Total	Proportion of remuneration performance based
	Salary, fees and leave	Profit share and bonuses	Non-monetary	Long service leave	Super-annuation	Rights	Options		
	$	$	$	$	$	$	$	$	%
Executive directors									
Mr S Apedaile	56,400	-	-	-	-	-	-	56,400	0.00%
Mr J Upton	240,000	-	-	-	-	-	-	240,000	0.00%
Non-executive directors									
Mr L Chen	151,142	-	-	-	-	-	-	151,142	0.00%
Sub-total	447,542	-	-	-	-	-	-	447,542	
Other key management personnel									
Mr M van Uffelen	120,000	-	-	-	-	-	-	120,000	0.00%
Sub-total	120,000	-	-	-	-	-	-	120,000	
Total	567,542	-	-	-	-	-	-	567,542	

Directors' report

Service Agreements

Remuneration and other terms of employment for key management personnel are not formalised in service agreements other than for those disclosed below:

Name:	Michael van Uffelen
Title:	CFO and company secretary
Agreement commenced:	19 April 2021
Term of agreement:	19 April 2021 until terminated by either party
Details:	Base fee for the year ending 30 June 2025 of $120,000 excluding superannuation, plus participation in employee share schemes. Fees to be reviewed when adjusted for change in scope and scale of activities and structure and negotiated in good faith between the parties.

Share-based compensation

Performance rights

The terms and conditions of each grant of performance rights affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Class A performance rights

Name	Number of rights granted	Grant date	Vesting date	Expiry date	Fair value per right at grant date
Steven Apedaile	5,000,000	4 June 2024	30 June 2025	4 June 2026	$0.032
Jude Upton	10,000,000	4 June 2024	30 June 2025	4 June 2026	$0.032
Li Chen	20,000,000	4 June 2024	30 June 2025	4 June 2026	$0.032
Michael van Uffelen	-	-	-	-	-

Class B performance rights

Name	Number rights granted	Grant date	Vesting date	Expiry date	Fair value per right at grant date
Steven Apedaile	5,000,000	4 June 2024	30 June 2026	4 June 2027	$0.032
Jude Upton	5,000,000	4 June 2024	30 June 2026	4 June 2027	$0.032
Li Chen	5,000,000	4 June 2024	30 June 2026	4 June 2027	$0.032
Michael van Uffelen	-	-	-	-	-

Performance rights granted carry no dividend or voting rights.

Options

No options were issued during the year as remuneration to directors and other key management personnel in this financial year.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below:

	2024	2023	2022	2021	2020
Revenue	1,196,118	1,021,832	493,318	574,854	1,130,974
Net profit (loss) for the year	(4,498,081)	(4,382,559)	(5,882,328)	127,636	(2,834,549)
(Loss) / Earnings per share (cents)	(1.1)	(1.7)	(2.5)	0.1	(2.8)
Net assets / (liabilities)	(1,889,514)	(2,181,438)	1,170,540	2,844,899	(7,546,333)
Share price	$0.05	$0.037	$0.071	$0.08	Suspended from the ASX(i)

(i) The last quoted share price prior to suspension from the ASX on 30 September 2018 was $0.095

Directors' report

Key management personnel (KMP) equity holdings

a. Fully paid ordinary shares of Sprintex Limited held by each KMP

2024 – Group *Group KMP*	Balance at start of year No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Received during the year on conversion of performance rights No.	Other changes during the year No.(1)	Balance at end of year No.
Executive directors						
Mr S Apedaile	5,804,195	-	-	-	6,558,334	12,362,529
Mr J Upton	1,636,177	-	-	-	3,956,111	5,592,288
Non-executive directors						
Mr L Chen	8,368,216		-	-	12,832,042	21,200,258
Other key management personnel						
Mr M van Uffelen	28,541				2,111,021	2,139,562
	15,837,129	-	-	-	25,457,508	41,294,637

(1) Comprises of on-market purchases at market prices and all other changes relate to conversion of convertible loan notes.

2023 – Group *Group KMP*	Balance at start of year No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Received during the year on conversion of performance rights No.	Other changes during the year No.(1)	Balance at end of year No.
Executive directors						
Mr S Apedaile	3,290,507	-	-	-	2,513,688	5,804,195
Mr J Upton	302,844	-	-	-	1,333,333	1,636,177
Non-executive directors						
Mr L Chen	7,034,883	-	-	-	1,333,333	8,368,216
Other key management personnel						
Mr M van Uffelen	28,541	-	-	-	-	28,541
	10,656,775	-	-	-	5,180,354	15,837,129

(1) Comprises of on-market purchases at market prices and all other changes relate to conversion of convertible loan notes.

b. Performance rights in Sprintex Limited held by each KMP

2024 – Group *Group KMP*	Balance at start of year No.	Granted as Remuneration during the year No. (1)	Converted during the year No.	Other changes during the year No.(2)	Balance at end of year No.	Vested and convertible No.	Not Vested No.
Executive directors							
Mr S Apedaile	2,500,000	10,000,000	-	(2,500,000)	10,000,000	-	10,000,000
Mr J Upton	5,000,000	15,000,000	-	(5,000,000)	15,000,000	-	15,000,000
Non-executive directors							
Mr L Chen	5,000,000	25,000,000	-	(5,000,000)	25,000,000	-	25,000,000
Other key management personnel							
Mr M van Uffelen	2,000,000	-	-	(2,000,000)	-	-	-
	14,500,000	50,000,000	-	(14,500,000)	50,000,000	-	50,000,000

(1) Details of the performance rights granted during the year can be found at note 23 Share-based payments.

(2) Performance rights lapsed during the year

Directors' report

2023 – Group ***Group KMP***	Balance at start of year No.	Granted as Remuneration during the year No.	Converted during the year No.	Other changes during the year No.(1)	Balance at end of year No.	Vested and convertible No.	Not Vested No.
Executive directors							
Mr S Apedaile	2,500,000	2,500,000	-	(2,500,000)	2,500,000	-	2,500,000
Mr J Upton	5,000,000	5,000,000	-	(5,000,000)	5,000,000	-	5,000,000
Non-executive directors							
Mr L Chen	5,000,000	5,000,000	-	(5,000,000)	5,000,000	-	5,000,000
Other key management personnel							
Mr M van Uffelen	2,000,000	2,000,000	-	(2,000,000)	2,000,000	-	2,000,000
	14,500,000	14,500,000	-	(14,500,000)	14,500,000	-	14,500,000

(1) Performance rights lapsed during the year

The fair value of the performance rights issued was assessed as follows:

Directors	**2024**	**2023**
Mr J Upton	344,000	-
Mr L Chen	568,000	-
Mr S Apedaile	232,000	-
Other key management personnel		
Mr M van Uffelen	-	-
	1,144,000	-

Note above represents the total fair value of the rights at grant date. During the year ended 30 June 2024, a total of $37,874 was expensed as a share-based payment.

c. Options in Sprintex Limited held by each KMP

2024 – Group ***Group KMP***	Balance at start of year No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.(1)	Balance at end of year No.	Vested and exerciseable No.	Not Vested No.
Executive directors							
Mr S Apedaile	-	-	-	1,579,167	1,579,167	-	1,579,167
Mr J Upton	-	-	-	1,105,556	1,105,556	-	1,105,556
Non-executive directors							
Mr L Chen	-	-	-	7,055,556	7,055,556	-	7,055,556
Other key management personnel							
Mr M van Uffelen	-	-	-	1,105,336	1,105,336	-	1,105,336
	-	-	-	10,845,615	10,845,615	-	10,845,615

(1) Options issued during the year were issued as free attaching options as part of convertible loan conversions, exercisable at $0.10 per option expiring on 30 June 2025. There was no fair value attached to these options.

This concludes the remuneration report, which has been audited.

Directors' report

14. Options

The Group had 58,316,807 options outstanding at the date of this report as outlined below:

Grant date	Expiry date	Exercise Price	Number of options
14 March 2023	31 Dec 2024	$0.075	12,871,111
12 September 2023	30 June 2025	$0.100	16,875,696
10 January 2024	30 June 2025	$0.100	2,750,000
17 June 2024	30 June 2025	$0.100	21,820,000
22 April 2024	31 March 2026	$0.100	4,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

The following ordinary shares of Sprintex Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted:

Option Grant date	Exercise price	Number of shares issued	Issue date
21 February 2024	0.0350	6,500,000	5 July 2024
22 April 2024	0.0350	2,000,000	5 July 2024

15. Indemnity and insurance of officers

The Company has entered into an Indemnity, Insurance and Access Deed with each Director and Officer.

Pursuant to the Deed, the Director/Officer is indemnified by the Company against any liability incurred in that capacity as an officer of the Company to the maximum extent permitted by law subject to certain exclusions.

The Company must keep a complete set of company documents until the later of:

the date which is seven years after the Director/Officer ceases to be an officer of the Company; and

the date after a final judgment or order has been made in relation to any hearing, conference, dispute, enquiry or investigation in which the Director/Officer is involved as a party, witness or otherwise because the Director is or was an officer of the Company ("Relevant Proceedings").

The Director has the right to inspect and/or copy a company document in connection with Relevant Proceedings during the period referred to above.

Subject to the next sentence, the Company must maintain an insurance policy insuring the Director/Officer against liability as a director and officer of the Company while the Director/Officer is an officer of the Company and until the later of:

the date which is seven years after the Director/Officer ceases to be an officer of the Company; and

the date any Relevant Proceedings have been finally resolved.

The Company may cease to maintain the insurance policy if the Company reasonably determines that the type of coverage is no longer reasonably available. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify, the auditor of the Company or any related entity, against a liability incurred by the auditor.

16. Indemnity and insurance of auditor

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Directors' report

17. Non-Audit Services

There were no non-audit services provided by the external auditor during the current financial year.

18. Proceedings on Behalf of the Company

There are no proceedings on behalf of the Company under section 237 of the Corporations Act 2001 in the financial year or at the date of this report.

19. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

JUDE UPTON
Managing Director and CEO
Dated this Wednesday, 16 October 2024

PKF Brisbane Audit
ABN 33 873 151 348
Level 2, 66 Eagle Street
Brisbane, QLD 4000
Australia

+61 7 3839 9733
brisbane@pkf.com.au
pkf.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SPRINTEX LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sprintex Limited and the entities it controlled during the year.

PKF

PKF BRISBANE AUDIT

TIM FOLLETT
PARTNER
BRISBANE
16 OCTOBER 2024

Corporate governance statement

The Board of Sprintex Limited is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of the Group and its stakeholders.

A copy of the Sprintex 2024 Corporate Governance Statement, which provides detailed information about governance, and a copy of the Sprintex Limited Appendix 4G which sets out the Group's compliance with the recommendations in the third edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles) is available on the corporate governance section of the Group's website at www.sprintex.com.au.

The Board believes that the governance policies and practices applied by Sprintex Limited during 2024 are in accordance with the recommendations contained in the ASX Principles.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2024

	Note	30 June 2024 $	30 June 2023 $
Sales of goods and services	6a	1,196,118	1,021,832
Revenue		1,196,118	1,021,832
Cost of goods sold		(836,215)	(620,265)
Gross profit		359,903	401,567
Other income	7a	153,884	644,974
Distribution and marketing expenses		(447,378)	(75,939)
Employee benefits expenses	8b	(1,506,822)	(1,214,340)
Research and development expenses	8d	(980,938)	(1,590,278)
Impairment of assets	14	(260,508)	(65,848)
Depreciation and amortisation expenses	8c	(596,977)	(279,885)
Administration expenses		(1,011,986)	(1,538,803)
Operating loss		(4,290,822)	(3,718,552)
Finance costs	8a	(207,259)	(664,007)
Loss before income tax expense		(4,498,081)	(4,382,559)
Income tax expense	9	-	-
Net loss after tax for the year		(4,498,081)	(4,382,559)
Other comprehensive loss net of tax			
Items that may be reclassified subsequently to profit or loss			
Translation of foreign operations		427,479	(241,906)
Total other comprehensive loss, net of tax		427,479	(241,906)
Total comprehensive loss for the year		(4,070,602)	(4,624,465)
Loss per share attributable to the ordinary equity holders of the Company			
Basic and diluted loss per share (cents/share)	10	(1.12)	(1.70)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position
as at 30 June 2024

	Note	30 June 2024 $	30 June 2023 $
Current assets			
Cash and cash equivalents	24	1,908,240	19,253
Pledged bank deposits	12	30,000	30,000
Trade and other receivables	13	467,650	162,316
Inventories	14	344,600	121,294
Other current assets	15	535,679	431,652
Total current assets		3,286,169	764,515
Non-current assets			
Property, plant and equipment	16	810,481	950,890
Right-of-use assets	17	389,194	579,624
Total non-current assets		1,199,675	1,530,514
Total assets		4,485,844	2,295,029
Current liabilities			
Trade and other payables	18	1,631,053	1,220,607
Borrowings	19	4,278,208	928,599
Provisions	20	33,908	57,087
Lease liabilities	17	295,536	274,618
Total current liabilities		6,238,705	2,480,911
Non-current liabilities			
Borrowings	19	-	1,664,980
Lease liabilities	17	136,653	330,576
Total non-current liabilities		136,653	1,995,556
Total liabilities		6,375,358	4,476,467
Net liabilities		(1,889,514)	(2,181,438)
Equity			
Contributed equity	21	73,972,383	69,688,908
Reserves	22	1,934,522	1,789,886
Accumulated losses		(77,796,419)	(73,660,232)
Total Equity		(1,889,514)	(2,181,438)

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
for the year ended 30 June 2024

	Note	Contributed Equity $	Share-based Payment reserve $	Foreign Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2023		69,688,908	484,392	1,305,494	(73,660,232)	(2,181,438)
Loss for the year		-	-	-	(4,498,081)	(4,498,081)
Movement in the foreign translation reserve		-	-	427,479	-	427,479
Total comprehensive loss for the year		-	-	427,479	(4,498,081)	(4,070,602)
Transactions with owners in their capacity as owners						
Issue of shares	21	1,709,500	-	-	-	1,709,500
Share issue expenses	21	(343,775)	-	-	-	(343,775)
Convertible loan notes converted	21	2,917,750	-	-	-	2,917,750
Options lapsed		-	(361,894)	-	361,894	-
Issue of options		-	48,077	-	-	48,077
Exercise of options		-	(6,900)	-	-	(6,900)
Performance rights issued		-	37,874	-	-	37,874
Balance at 30 June 2024		73,972,383	201,549	1,732,973	(77,796,419)	(1,889,514)

	Note	Contributed Equity $	Share-based Payment reserve $	Foreign Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2022		68,538,918	743,266	1,547,400	(69,659,044)	1,170,540
Loss for the year		-	-	-	(4,382,559)	(4,382,559)
Movement in the foreign translation reserve		-	-	(241,906)	-	(241,906)
Total comprehensive loss for the year		-	-	(241,906)	(4,382,559)	(4,624,465)
Transactions with owners in their capacity as owners						
Issue of shares	21	150,000	-	-	-	150,000
Share issue expenses	21	(10)	-	-	-	(10)
Convertible loan notes converted	21	1,000,000	-	-	-	1,000,000
Issue of options		-	122,497	-	-	122,497
Performance rights expired		-	(381,371)	-	381,371	-
Balance at 30 June 2023		69,688,908	484,392	1,305,494	(73,660,232)	(2,181,438)

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2024

	Note	30 June 2024 $	30 June 2023 $
Cash flows from operating activities			
Receipts from customers		1,038,015	683,426
Payments to suppliers and employees		(4,404,238)	(4,118,312)
Interest and finance lease charges paid		(174,994)	(289,487)
Government grants received		-	512,013
Other income		24,138	-
Net cash used in operating activities	24	(3,517,079)	(3,212,360)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		73,908	146,560
Payment of property, plant and equipment	16	(243,246)	(93,874)
Net cash provided (used in)/by investing activities		(169,338)	52,686
Cash flows from financing activities			
Proceeds from loans and borrowings		4,645,449	3,162,462
Payment of loans and borrowings		(161,507)	(7,147)
Proceeds from the issue of shares		1,508,684	150,000
Share issue costs		(92,959)	(10)
Repayment of lease liabilities		(324,263)	(176,417)
Net cash provided by financing activities		5,575,404	3,128,888
Net increase / (decrease) in cash and cash equivalents		1,888,987	(30,786)
Cash and cash equivalents at the beginning of the year		19,253	50,039
Cash and cash equivalents at the end of the year	24	1,908,240	19,253

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 1 Corporate Information

Sprintex Limited (the "Company") is a listed public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company with entities it controlled at the end of or during the year (together referred to as the "Group"). The nature of the operations and principal activities of the Group are described in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue by the directors on 16 October 2024. The directors have the power to amend and reissue the financial statements.

Note 2 New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3 Summary of material accounting policies

a. **Basis of preparation**

Statement of compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations, as appropriate for profit oriented entities.

Accounting Standards include Australian Accounting Standards (AASBs). Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

Basis of measurement

The financial report has also been prepared under the historical cost convention other than share based payments the fair value of which is estimated at the date of issue of the options or performance rights.

Functional and presentation currency

The financial report is presented in Australian dollars, which is the Company's functional currency and amounts presented in this report have been rounded to the nearest dollar except where stated.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sprintex Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Sprintex Limited and its subsidiaries together are referred to in these financial statements as the Group.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 3 Summary of material accounting policies (continued)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the statement of profit or loss and other comprehensive income.

b. **Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

c. **Going concern**

The Group has a net asset deficiency of $1,889,514 (2023: net asset deficiency of $2,181,438) and net current asset deficiency of $2,952,536 (2023: net current asset deficiency $1,716,396) as at 30 June 2024 and incurred a loss of $4,498,081 (2023: loss of $4,382,559) and net operating cash outflows of $3,517,079 (2023: outflow of $3,212,360) for the year ended 30 June 2024.

The Group's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on a number of factors, including:

- delivery of existing and new products through the Group's distribution network to generate sales revenues and positive cash flows;
- the ability of the Group to raise additional funding; and
- the success of the manufacturing facilities in Malaysia and China.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business and economic activities and the realisation of assets and discharge of liabilities in the normal course of business. In arriving at this position, in the opinion of the directors the Group will, based on varying cash flow forecasts, have access to sufficient funds to meet administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

Consequently, the Directors believe that the above factors represent a material uncertainty as to whether the Group will be able to continue as a going concern and pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. No adjustments have been made relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

d. **Earnings per share**

Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

e. **Revenue recognition**

The Group recognises revenue as follows:

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 3 Summary of material accounting policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

f. **Government grants**

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

g. **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

h. **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 3 Summary of material accounting policies (continued)

i. **Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity date of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing liabilities in current liabilities on the statement of financial position.

j. **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 0 to 90 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Aged receivable amounts over 90 days have been individually assessed for possible losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

k. **Inventories**

Inventories are valued at the lower of cost or net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials – purchase cost on a first in, first out basis.

Finished goods and work in progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Costs are assigned on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

l. **Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 3 Summary of material accounting policies (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

m. **Property, plant and equipment**

Recognition

Plant and equipment and leasehold improvements are carried at cost, less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the statement of profit or loss and other comprehensive income as incurred.

Depreciation and amortisation

Depreciation is calculated on a diminishing value or straight line basis over the estimated useful life of the asset as follows:

	2024	2023
Plant and Equipment	15%	15%
Engineering Equipment and Software	15%-37.5%	15%-37.5%
Furniture and Office Equipment	7.5%-37.5%	7.5%-37.5%
Motor Vehicles	18.75%	18.75%
Leasehold Improvements	30%	30%

The assets' residual values, useful lives and amortisation method are reviewed, and adjusted if appropriate, at each financial year end.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposal are recognised in the statement of profit or loss and other comprehensive income.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 3 Summary of material accounting policies (continued)

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

n. **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

o. **Impairment of non-financial assets**

At each reporting date, management assess whether there is any indication that an asset may be impaired, where an indicator of impairment exists, management makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

p. **Trade and other payables**

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 to 60 days of recognition.

q. **Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

r. **Convertible loan notes**

Recognition

Convertible loan notes are recognised as a liability at the time of issuance, provided that the Group has a present obligation to transfer economic benefits and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Initial measurement

The convertible loan notes are initially measured at their fair value at the time of issuance. Any transaction costs directly attributable to the issuance of the convertible loan notes are included in the initial measurement.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 3 Summary of material accounting policies (continued)

Subsequent measurement

The convertible loan notes are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash payments or receipts over the expected life of the instrument to the net carrying amount of the convertible loan notes. The interest expense on convertible loan notes is recognised in the statement of profit and loss and other comprehensive income in full in the period of issuance, reflecting the amortisation of any transaction costs, on the basis that the convertible loan notes have either been converted in the same financial period, or expected to be converted or redeemed within 12 months, therefore the impact to the financial report is not significant.

Conversion / derecognition

When the convertible loan notes are converted into equity, the carrying amount of the convertible loan notes, including any unamortised transaction costs, is reclassified to equity.

s. **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under and insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Service warranties

Provision is made for the estimated liability on all products still under warranty at reporting date. The amount of the provision is the estimated cash flows expected to be required to settle the warranty obligations and is calculated based on a percentage of sales. The provision is not discounted to its present value as the effect of discounting is not material.

t. **Employee leave benefits**

Wages, salaries, annual leave and non-monetary benefits

Provision is made for the employee benefits accumulated as a result of the employee rendering services up to the reporting date. These benefits including on costs due to be settled within one year, together with benefits arising from wages and salaries, annual leave and non-monetary benefits which will be settled after one year, are measured at their nominal amounts based on remuneration rates which are due to be paid when the liability is settled.

Long service leave

Long service leave including on costs, payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Retirement benefit obligations

The Group contributes to various superannuation plans in accordance with and at rates set down by law. Some employees contribute to these plans at differing percentages of their salaries.

The Group's contributions and costs are charged as an expense as incurred.

u. **Share based payment transactions**

The Group provides incentives to the key management personnel (KMP) of the Group in the form of share based payment transactions, whereby KMP render services in exchange for shares or rights over shares ("equity settled transactions").

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 3 Summary of material accounting policies (continued)

The cost of these equity settled transactions with KMP is measured by reference to the fair value at the date at which they are granted using a Black Scholes model to determine the fair value, which takes into account the factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share, the expected life of the option, and any barriers associated with vesting.

The fair value of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the option ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting reflects:

the grant date fair value of the award,

the extent to which the vesting period has expired, and

the number of options that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition.

Where the terms of an equity settled option are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity settled option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as if they were a modification of the original option, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Equity-settled share-based payments transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

v. **Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w. **Foreign currency translation**

The financial statements are presented in Australian dollars, which is Sprintex Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 3 Summary of material accounting policies (continued)

The foreign currency reserve is recognised in the statement of profit or loss and other comprehensive income when the foreign operation or net investment is disposed of.

Note 4 Significant accounting estimates and assumptions and judgments

a. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with KMP by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted or management's best estimate of the probability of achieving the non market conditions. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available.

Aged receivable amounts over 90 days have been individually assessed for possible losses.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 4 Significant accounting estimates and assumptions and judgments (continued)

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Convertible loan notes

The treatment of convertible loan notes is a critical accounting estimate and judgement as it involves assessment of various factors to ensure accurate representation in the financial statements. Furthermore, the decision on how to account for the conversion option demands judgement. Given the impact of these judgements and estimates on financial position and performance, transparent disclosure of judgements made is critical to comprehend the inherent uncertainties associated with convertible loan notes' accounting treatment.

Note 5 Segment Information

a. *Identification of reportable segments*

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and in determining the allocation of resources. Operating segments are identified by management based on the similarity of the products produced and sold.

The Group is operating in two segments, being the design, manufacture and distribution of compressors, both electrically and mechanically driven, in the industrial, clean air and automotive markets.

The principal products of each of these operating segments are as follows:

- E-Compressors – Manufacture and sale of E-Compressors globally
- Superchargers – Manufacture and sale of superchargers globally

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

The reporting period end date is consistently applied to each controlled entity, other than the following which are required to report in different statutory periods:

- Sprintex USA, Inc. – 31 December year end
- Sprintex Energy Technology (Suzhou) Co., Ltd – 31 December year end

b. Operating segment information

	E-Compressors $	Superchargers $	Corporate $	Total $
Year ended 30 June 2024				
Revenue				
■ External sales	489,167	706,951	-	1,196,118
Total segment revenue	489,167	706,951	-	1,196,118
Other income			153,884	153,884
Total group revenue and other income				1,350,002
Year ended 30 June 2023				
Revenue				
■ External sales	337,956	683,876	-	1,021,832
Total segment revenue	337,956	683,876	-	1,021,832
Other income			166,806	166,806
Total group revenue and other income				1,188,638

c. *Location of non-current assets*

Non-current assets for this purpose consist of property, plant and equipment and right of use assets. Non-current assets of the Company located in Australia amounted to $225,094 (2023: $325,146). Non-current assets located in the USA amounted to $195,567 (2023: $151,813), Malaysia $269,720 (2023: $12,651) and China $509,295 (2023: $461,280).

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 6 Revenue

Disaggregation of revenue from contracts with customers

The Group has disaggregated revenue into two segments which is intended to depict how the nature, amount, timing and uncertainty of revenue and cashflows are affected by economic data.

All of the revenue for the Group is derived at a point in time.

		2024 $	2023 $
a.	Revenue from contracts with customers		
	Sale of goods – E-compressors	489,167	337,956
	Sale of goods - superchargers	706,951	683,876
		1,196,118	1,021,832
b.	Geographical location of major customers		
	Asia	65,733	129,082
	United States	684,206	583,476
	United Kingdom and European Union	381,368	192,421
	Australia	64,811	116,853
		1,196,118	1,021,832

Note 7 Other income

		2024 $	2023 $
a.	Other Income		
	Government grants	-	210,199
	Research and development incentive grant	147,231	301,739
	Sale of fixed assets	(17,485)	132,961
	Sundry income	24,138	75
	Total other income	153,884	644,974

Note 8 Expenses

		2024 $	2023 $
a.	Finance costs		
	Broker fees on convertible loan notes	50,400	148,996
	Interest on convertible loan notes	102,315	374,520
	Interest on bank loans	14,658	50,696
	Other interest and finance costs	39,886	89,795
	Total finance costs	207,259	664,007

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 8 Expenses (continued)

	Note	2024 $	2023 $
b. Employee benefits expense			
Salaries and wages		1,277,502	1,045,946
Superannuation expense		69,493	45,897
Other employment expense		159,827	122,497
Total employee benefits expense		1,506,822	1,214,340
c. Depreciation and amortisation expenses			
Depreciation of property, plant and equipment		292,263	189,680
depreciation of right-of-use assets		304,714	90,205
Total depreciation and amortisation expenses		596,977	279,885
d. Research and development expenses			
Research and development staff costs		795,506	475,224
Materials / service costs		185,432	1,115,054
Total research and development expenses		980,938	1,590,278
e. Rental expenses not recognised under AASB16	a	15,909	36,350
Total rental expenses		15,909	36,350

a. Short term leases less than 12 months

Note 9 Income tax expense

a. Income tax recognised in profit/loss

income tax is payable by the Group as it recorded a loss for income tax purposes for the period.

b. Numerical reconciliation between income tax expense and the loss before income tax

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2024 $	2023 $
Profit (Loss) before income tax	(4,498,081)	(4,382,559)
Tax at Australian tax rate of 25% (2023: 25%). Tax effect of amounts which are not assessable in calculating taxable income:	(1,124,520)	(1,095,640)
Permanent differences non-assessable/non-deductible	44,768	-
Tax losses and temporary differences not recognised	1,079,752	1,095,640
Aggregate income tax benefit	-	-

The franking account balance at 30 June 2024 was $Nil (2023: $Nil).

c. Unrecognised temporary differences

At 30 June 2024, there are no unrecognised temporary differences associated with the Company's investments in subsidiaries as the Company has no liability for additional taxation should unremitted earnings be remitted (2023: $Nil).

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 9 Income tax expense (continued)

d. Unrecognised deferred tax balances

	2024 $	2023 $
Tax losses - USA (shown at 30%)	1,223,362	1,311,416
Tax losses - Australia (shown at 25%)	9,153,257	9,240,881
Tax losses - Malaysia (shown at 25%)	241,417	276,769
Tax losses - China (shown at 25%)	1,149,728	747,017
Provisions and accruals	98,006	(8,381)
Impairment provisions	453,429	1,099,317
Prepayments	(16,492)	-
Total deferred tax assets/(liabilities)	12,302,707	12,667,019

Unused tax losses available for offset against future taxable profits. Such losses may be carried forward indefinitely subject to meeting relevant statutory tests.

The net deferred tax asset arises from temporary differences but has not been recognised due to the unpredictability of future profit streams.

Note 10 Loss per share

	2024 $	2023 $
Basic and diluted earnings (loss) per share (cents per share)	(1.12)	(1.70)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	2024	2023
Profit (loss) for the year	(4,498,081)	(4,382,559)
Weighted average number of shares outstanding during the year used in the calculations of basic earnings per share:	399,833,005	254,347,023

For the purpose of calculating the basic and diluted loss per share the denominator has excluded 58,316,807 options and 50,000,000 performance rights (2023: 23,871,111 options and 20,170,000 performance rights) as the effect would be anti-dilutive due to the loss for the year.

Note 11 Remuneration of auditors

	2024 $	2023 $
Amounts paid to the auditors (PKF Brisbane Audit):		
• Audit and review of the financial report – current year	121,825	61,000
Total	121,825	61,000
Other services (PKF Perth Business Services)		
• Preparation of income tax return – current year	5,400	5,400
Total	5,400	5,400

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 12 Pledged bank deposits

	2024 $	2023 $
Current		
Deposits at call	30,000	30,000
	30,000	30,000

Pledged bank deposits at 30 June 2024 represents a term deposit of $30,000 supporting credit card facilities.

Note 13 Trade and other receivables

	2024 $	2023 $
Current		
Trade receivables	104,547	162,316
Other receivables	215,872	-
Research and development incentive grant receivable	147,231	-
	467,650	162,316

a. Expected credit losses

Trade receivables are non-interest bearing and, where provided, are generally on 0-90 day terms. Expected credit losses are recognised when there is objective evidence that an individual trade receivable is impaired.

Trade deposits represent payments to suppliers with no history of unsatisfactory product quality or delivery default and are considered fully recoverable.

Based on past experience, management believes that no expected credit losses are necessary to be provided in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

b. Fair value and credit risk

Due to the short-term nature of the receivables, their carrying value is assumed to approximate their fair value.

c. Impairment and risk exposure

The Group applies a simplified approach in providing for expected credit losses, in accordance with AASB 9. To measure the expected credit loss, receivables have been grouped based on days overdue, however a specific provision has been made for those receivables where recoverability is uncertain. The methodology applied in estimating expected credit losses below, except for the specific provision, is consistent with that applied for the year ended 30 June 2024.

The expected credit loss allowance for trade receivables as at 30 June 2024 is determined as follows:

	Gross 2024 $	Loss allowance 2024 $	Net 2024 $	Past due but not impaired 2024 $
Trade receivables				
Not past due	55,848	-	55,848	-
Past due up to 60 days	9,221	-	9,221	-
Past due 60 days to 90 months	612	-	612	-
Past due over 90 months	38,866	-	38,866	-
	104,547	-	104,547	-
Other receivables				
Not past due	363,103	-	363,103	-
Total	467,650	-	467,650	-

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 14 Inventories

	2024 $	2023 $
Current		
Finished goods – at cost	2,158,317	1,674,504
Provision for impairment	(1,813,717)	(1,553,210)
Total inventories at lower of cost and net realisable value	344,600	121,294

Inventory in all locations other than China was fully impaired as this represents inventory in respect of automotive supercharger parts where the market is in decline and would require significant time to achieve a realisable value.

Note 15 Other current assets

	2024 $	2023 $
Current		
Deposits	232,029	270,273
Prepayments	298,541	39,877
Other current assets	-	121,502
Borrowing costs	5,109	-
	535,679	431,652

Note 16 Property, plant & equipment

	2024 $	2023 $
Manufacturing plant and equipment at cost	3,596,970	3,478,068
Less: accumulated depreciation	(3,115,177)	(2,856,063)
	481,793	622,005
Engineering equipment and software at cost	60,602	40,051
Less: accumulated depreciation	(41,421)	(40,051)
	19,181	-
Motor vehicles at cost	405,673	442,120
Less: accumulated depreciation	(290,825)	(263,932)
	114,848	178,188
Office furniture and equipment at cost	173,755	172,035
Less: accumulated depreciation	(33,882)	(28,998)
	139,873	143,037
Capital work in progress at cost	54,786	7,660
	54,786	7,660
Total plant and equipment	810,481	950,890

Notes to the consolidated financial statements
for the year ended 30 June 2024

Note 16 Property, plant & equipment (continued)

a. Movements in carrying amounts

	Manufacturing Plant and Equipment $	Engineering Equipment and Software $	Motor Vehicles $	Office Furniture and Equipment $	Capital Work in Progress $	Total $
Opening net book amount	662,005	-	178,188	143,037	7,660	990,890
Additions	118,903	20,551	54,945	1,721	47,126	243,246
Disposals	-	-	(91,392)	-	-	(91,392)
Depreciation charge	(259,114)	(1,370)	(26,894)	(4,885)	-	(292,263)
Closing net book amount	521,794	19,181	114,847	139,873	54,786	850,481

Note 17 Right-of-use assets

	Note	2024 $	2023 $
Right of use assets – at cost		871,591	761,431
Right of use assets – accumulated depreciation		(482,397)	(181,807)
Carrying value		389,194	579,624
Lease liabilities - current	a	295,536	274,618
Lease liabilities – non-current	a	136,653	330,576
Closing balance		432,189	605,194

The Group has property leases in Malaysia, China and United States.

Additions during the year were $114,680.

Property rented in Australia is not subject to a formal lease arrangement, and as such is considered a short-term lease.

The value of plant & equipment under finance lease which has been included in lease liabilities but included in note 16 Property, plant & equipment is $21,034.

a. Lease commitments

	2024 $	2023 $
Within one year	314,903	306,586
After one year but not more than five years	142,137	346,704
Total minimum lease payments	457,040	653,290
Less: amounts representing finance charges	(24,851)	(48,096)
Present value of minimum lease payments	432,189	605,194

Notes to the consolidated financial statements
for the year ended 30 June 2024

Note 18 Trade and other payables

	2024 $	2023 $
Current		
Trade payables	599,110	538,327
Other payables	8,419	512,384
Superannuation payable	128,383	25,580
Accruals	129,326	57,171
Customer deposits	765,815	87,145
Total trade and other payables	1,631,053	1,220,607

Trade payables are non-interest bearing and are predominately settled on 30-to-60-day terms

Other payables include nil amounts owed to individuals (2023: $520,103) that were loaned to the business during the prior year.

Note 19 Borrowings

	Note	2024 $	2023 $
Current – unsecured			
Convertible loan notes	a)	3,898,199	498,500
Finance lease liabilities		-	14,117
Premium funding		68,437	-
Bank loans	b)	311,572	415,982
		4,278,208	928,599
Non-current – unsecured			
Convertible loan notes		-	1,622,500
Finance lease liabilities		-	42,480
		-	1,664,980

a) Convertible notes:
   i. A$3,000,000 convertible notes have an annual interest rate of 6% per annum, convertible on or before 30 June 2025 at a variable conversion rate being the higher of 3 cents or 20% to discount to the VWAP of shares on ASX during 15 days concluding on the day of conversion.
   ii. A$604,449 (3M RMB) convertible notes have an annual interest rate of 12% per annum, convertible on or before 31 March 2025 at a variable conversion rate being the higher of 3 cents or 20% to discount to the VWAP of shares on ASX during 15 days concluding on the day of conversion.
   iii. A$266,250 convertible notes have a flat rate of 8% which was paid up to 30 June 2024 when the convertible notes were issued. From 1 July 2024 a flat rate of 4% interest was paid up front covering interest for the period to 31 December 2024. The notes have a fixed conversion rate of 2.5cents on or before maturity date of 31 December 2024.
   iv. A$27,500 convertible notes have a maturity date of 31 July 2024 and are repayable in cash.

b) Includes a bank loan of RMB1,500,000 bearing interest of 3.95% with a maturity date of 11 October 2024. Subsequent to year end, the loan was repaid in full as outlined in note 32.
   The balances noted above represent the facility limits. There were no unused or undrawn facilities at 30 June 2024 (2023: nil).

Notes to the consolidated financial statements
for the year ended 30 June 2024

Note 20 Provisions

	2024 $	2023 $
Current		
Provision for warranty	33,908	33,908
Provision for employee benefits	-	23,179
	33,908	57,087

(a) Movements in the provision for warranty for the Group during the financial year are set out below:

	2024 $	2023 $
At beginning period	33,908	33,908
Provision adjustment during the year	-	-
At balance date	33,908	33,908

Warranty provision

Under the terms of the Group's sales arrangements, the Group will rectify any product defects arising within one year of the date of sale. Provision is therefore made for the present value of the management's best estimate of the expected settlement under these agreements in respect of sales made within the year prior to the reporting date.

Note 21 Contributed equity	**Date**	2024 No.	2023 No.	2024 $	2023 $
Fully paid ordinary shares at no par value		531,624,791	267,687,662	73,972,383	69,688,908
a. Ordinary shares					
At the beginning of the period		267,687,662	252,354,329	69,688,908	68,538,918
Shares issued during the year:					
• Placement at $0.075 per share	28.7.22	-	2,000,000	-	150,000
• Debt conversion		-	13,333,333	-	1,000,000
• Debt conversion		214,685,741		2,917,750	-
• Placement at $0.045 per share	20.7.23, 8.9.23, 14.9.23	28,888,888	-	1,300,000	-
• Placement at $0.040 per share	20.7.23, 1.8.23, 11.8.23	5,362,500	-	214,500	-
• Shares issued in lieu of services		15,000,000	-	195,000	
• Transaction costs relating to share issues		-	-	(343,775)	(10)
At reporting date		531,624,791	267,687,662	73,972,383	69,688,908

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid shares have no par value. There are no externally imposed capital requirements.

Voting at meetings is now conducted via a poll. Every member present at a meeting in person or by proxy shall have one vote.

There is no current on-market share buy-back.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 21 Contributed equity (continued)

b. Capital Management

The Directors' objectives when managing capital are to ensure that the Group can maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the availability of liquid funds in order to meet its short-term commitments.

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group in respect to its operations, software developments programmes, and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group were as follows:

	Note	2024 $	2023 $
Cash and cash equivalents	24b	1,908,240	19,253
Pledged bank deposits	12	30,000	30,000
Trade and other receivables	13	467,650	162,316
Inventories	14	344,600	121,294
Other current assets	15	535,679	431,652
Trade and other payables	18	(1,631,053)	(1,220,607)
Borrowings	19	(4,278,208)	(928,599)
Provisions	20	(33,908)	(57,087)
Lease liabilities	17	(295,536)	(274,618)
Working capital position		(2,952,536)	(1,716,396)

Note 22 Reserves		2024 $	2023 $
Foreign exchange reserve	(i)	1,732,973	1,305,494
Share based payment reserve	(ii)	201,549	484,392
		1,934,522	1,789,886

(i) **Foreign exchange translation reserve**

The foreign exchange reserve records exchange differences arising on translation of foreign controlled subsidiaries.

(ii) **Share based payment reserve**

Share based payments reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, management and consultants of the Company recognised in accordance with the accounting policy adopted for share-based payments and the amortisation of the value of performance rights at the value of the underlying shares at grant date to the expected date of achievement of the performance hurdle.

Notes to the consolidated financial statements
for the year ended 30 June 2024

Note 23 Share-based payments	**Note**	2024 $	2023 $
a. Share-based payments:	19b		
• Recognised as shared-based payment expense		-	122,497
• Recognised in administration expenses (options)		41,177	-
• Recognised in administration expenses (rights)		37,874	
Net share-based payment recognised in Profit or Loss		79,051	122,497
Expiration of vested share-based payments recognised in retained earnings		(361,894)	(381,371)
Gross share-based transactions		(282,843)	(258,874)

b. Share-based payment arrangements in effect during the period

(i) **Share-based payments recognised in profit or loss**

(1) **Broker and consultant options**

Number under Option	Grant Date	Date of Expiry	Exercise Price	Vesting Terms
3,000,000 (1)	21 February 2024	30 June 2024	*$0.035*	Immediately upon issue
2,000,000 (3)	22 April 2024	30 June 2024	*$0.035*	Immediately upon issue
2,750,000 (3)	10 January 2024	30 June 2025	*$0.100*	Immediately upon issue
4,000,000 (4)	22 April 2024	31 March 2026	*$0.100*	Immediately upon issue

1 *Options issued in consideration for services provided by consultant exercisable at $0.035 on or before 30 June 2024. These options were valued as $3,180 on grant date.*

2 *Options issued in consideration for services provided by consultant exercisable at $0.035 on or before 30 June 2024. These options were valued as $3,720 on grant date.*

3 *Options issued in consideration for services regarding fund raising of convertible notes exercisable at $0.100 on or before 30 June 2025. These options were valued as $7,178 on grant date.*

4 *Options issued in consideration for services regarding fund raising of convertible notes exercisable at $0.100 on or before 31 March 2026. These options were valued as $34,000 on grant date.*

Notes to the consolidated financial statements
for the year ended 30 June 2024

Note 23 Share-based payments (cont.)

(2) **Director Performance Rights**

As approved by shareholders 3 June 2024 the Company issued 50,000,000 performance rights to key management personnel to provide a performance linked incentive component in the Directors' remuneration packages to assist the Company in rewarding his performance, and to align their interests with those of Shareholders on the terms as detailed below and as detailed below:

Class of Performance Right	Performance Condition	Performance rights No.	Milestone Date	Expiry Date	Performance Condition Satisfied
A	achieving at least A$20,000,000 revenue for the financial year ending 30 June 2025	35,000,000	30 June 2025	4 June 2026	No, expensed over vesting period
B	achieving at least A$30,000,000 revenue for the financial year ending 30 June 2026	15,000,000	30 June 2026	4 June 2027	No, expensed over vesting period

(ii) **Share-based payments recognised in profit or loss in prior periods**

Number under Option	Date of Expiry	Exercise Price	Vesting Terms
12,871,111 (1)	31 Dec 2024	*$0.075*	Immediately upon issue

1 *Options issued in consideration for services provided by brokers exercisable at $0.075 on or before 31 Dec 2024. These options were valued as $122,497 on grant date.*

b. **Movement in share-based payment arrangements during the period**

A summary of the movements of all Group options issued as share-based payments is as follows:

2024 Grant date	Expiry date	Exercise price	Balance at start of year	Granted	Exercised(1)	Expired/ forfeited/other	Balance at the end of year
12/04/2021	12/04/2024	$0.086	5,000,000	-	-	(5,000,000)	-
19/05/2021	19/05/2024	$0.086	3,000,000	-	-	(3,000,000)	-
19/05/2021	19/05/2024	$0.150	2,000,000	-	-	(2,000,000)	-
28/07/2022	27/07/2023	$0.100	1,000,000	-	-	(1,000,000)	-
13/03/2023	31/12/2024	$0.075	12,871,111	-	-	-	12,871,111
12/09/2023	30/06/2025	$0.100	-	25,153,474	-	(8,277,778)	16,875,696
10/01/2024	30/06/2025	$0.100	-	2,750,000	-	-	2,750,000
21/02/2024	30/06/2024	$0.035	-	6,500,000	(6,500,000)	-	-
22/04/2024	31/03/2026	$0.100	-	4,000,000	-	-	4,000,000
22/04/2024	30/06/2024	$0.035	-	2,000,000	(2,000,000)	-	-
17/06/2024	30/06/2025	$0.100	-	21,820,000	-	-	21,820,000
			23,871,111	62,223,474	(8,500,000)	(19,277,778)	58,316,807
Weighted average exercise price			$0.0860	$0.0911	$0.0350	$0.0886	$0.0945

(1) 8,500,000 options were exercised by holders at 30 June 2024, however as funds were only receivable post 30 June 2024 and issue of shares not effectuated until 5 July 2024, for the purpose of reporting at 30 June 2024 options have been exercised and excluded from options in issue at reporting date. Refer to note 32 for further details.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 23 Share-based payments (cont.)

2023 Grant date	Expiry date	Exercise price	Balance at start of year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of year
12/04/2021	12/04/2024	$0.086	5,000,000	-	-	-	5,000,000
19/05/2021	19/05/2024	$0.086	3,000,000	-	-	-	3,000,000
19/05/2021	19/05/2024	$0.150	2,000,000	-	-	-	2,000,000
13/04/2022	08/11/2022	$0.100	10,204,827	-	-	(10,204,827)	-
13/12/2021	13/12/2022	$0.100	486,670	-	-	(486,670)	-
13/04/2022	8/02/2023	$0.100	3,333,335	-	-	(3,333,335)	-
13/04/2022	11/04/2023	$0.100	2,666,668	-	-	(2,666,668)	-
19/05/2022	18/05/2023	$0.100	1,333,333	-	-	(1,333,333)	-
23/06/2022	22/06/2023	$0.100	1,166,667	-	-	(1,166,667)	-
28/07/2022	27/07/2023	$0.100	-	1,000,000	-	-	1,000,000
13/03/2023	31/12/2024	$0.075	-	12,871,111			12,871,111
			29,191,500	13,871,111	-	(19,191,500)	23,871,111
Weighted average exercise price			$0.099	$0.077	-	$0.100	$0.086

The total options exercisable as at 30 June 2024 was 58,316,807 (2023: 23,871,111).

A summary of the movements of all Group performance rights issued as share-based payments is as follows:

2024 Grant date	Expiry date	Exercise price	Balance at start of year	Granted	Exercised	Lapsed	Balance at the end of year
30 June 2023	30 June 2024	Nil	20,170,000	-	-	(20,170,000)	-
4 June 2024	30 June 2025	Nil	-	35,000,000	-	-	35,000,000
4 June 2024	30 June 2026	Nil	-	15,000,000	-	-	15,000,000
			20,170,000	50,000,000	-	(20,170,000)	50,000,000

2023 Grant date	Expiry date	Exercise price	Balance at start of year	Granted	Exercised	Lapsed	Balance at the end of year
23 Feb 2022	30 June 2023	Nil	20,250,000	-	-	(20,250,000)	-
30 June 2023	30 June 2024	Nil	-	20,170,000	-	-	20,170,000
			20,250,000	20,170,000	-	(20,250,000)	20,170,000

The Group has 50,000,000 performance shares on issue at the date of this report, being 35,000,000 Class A Performance Rights and 15,000,000 Class B Performance Rights, with the following milestones:

Milestone
Class A Performance Rights: 35,000,000 relating to relating to the Company achieving at least A$20,000,000 revenue for the financial year ending 30 June 2025. One Class A Performance Right converts on achievement of the milestone into one Ordinary Share.
Class B Performance Rights: 15,000,000 relating to the Company achieving at least A$30,000,000 revenue for the financial year ending 30 June 2026. One Class B Performance Right converts on achievement of the milestone into one Ordinary Share.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 23 Share-based payments (cont.)

c. **Fair value of options granted during the period**

The fair value of the options granted to brokers and consultants is deemed to represent the value of the services received over the vesting period.

The weighted average fair value of options granted during the year was $0.0911 (2023: $0.077). These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

Grant date:	10.01.2024	21.02.2024	22.04.2024	22.04.2024
Grant date share price:	$0.013	$0.016	$0.022	$0.022
Option exercise price:	$0.100	$0.035	$0.035	$0.035
Number of options issued:	2,750,000	3,000,000	2,000,000	4,000,000
Expiry date:	30.06.2025	30.06.2024	30.06.2024	31.03.2026
Remaining life (years):	1.47	0.36	0.19	1.94
Expected share price volatility:	136.70%	116.20%	131.60%	135.10%
Dvidined yield (%)	0%	0%	0%	0%
Risk-free interest rate:	3.84%	3.78%	3.93%	3.93%
Value per option	$0.0026	$0.0011	$0.0019	$0.0085

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

d. **Fair value of performance rights granted during the period**

These values were calculated using the Black-Scholes option pricing model, applying the following inputs to 50,000,000 performance rights issued:

	Class A	Class B
Grant date share price:	$0.032	$0.032
Exercise price:	Nil	Nil
Number of rights issued:	35,000,000	15,000,000
Issue Date:	4 June 2024	4 June 2024
Expiry Date:	30 June 2025	30 June 2026
Volatility:	132.9%	119.5%
Risk-free interest rate:	4.08%	4.02%
Expected Vesting Probability[1]	70%	75%
Value[2]	$784,000	$360,000

[1]The probability ability of conditions being met represents an estimate by management.
[2]Total expense to the profit and loss for the year ended 30 June 2024 was $37,874.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 24 Statement of cash flows reconciliation

a. **Reconciliation of cash flows from operating activities to operating earnings after income tax**

	2024 $	2023 $
Operating loss before income tax	(4,498,081)	(4,382,559)
Add non-cash items:		
• Depreciation - property, plant & equipment	292,263	189,680
• Depreciation – right of use assets	304,714	185,705
• Interest – leases	36,975	-
• Interest – Convertible loan notes	-	374,520
• Share based payments	79,051	122,497
• Impairment	260,508	-
• Gain /(loss) on disposal of PPE	17,485	(132,961)
• Foreign exchange movement	427,479	(241,906)
Changes in assets and liabilities		
• Decrease / (increase) in trade and other receivables	(305,334)	(440,589)
• Decrease / (increase) in inventories	(483,814)	167,255
• Decrease / (increase) in other assets	(104,027)	(26,535)
• Increase / (decrease) in trade and other payables	478,881	972,495
• Increase / (decrease) in provisions	(23,179)	38
Net cash flows used in operating activities	(3,517,079)	(3,212,360)

b. **Reconciliation of cash and cash equivalents to cash flow statement of cash flow**

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following at 30 June:

	2024 $	2023 $
Cash at bank and on hand	1,908,240	19,253

Notes to the consolidated financial statements
for the year ended 30 June 2024

Note 25 Parent entity information

a. ***Information relating to Sprintex Limited***

	Parent 2024 $	Parent 2023 $
Statement of financial position		
Total current assets	2,086,138	92,411
Total assets	14,342,392	417,557
Total current liabilities	4,679,289	910,409
Total liabilities	4,679,289	2,532,909
Equity		
Contributed equity	73,972,383	69,688,908
Share based payment reserve	201,549	484,392
Accumulated loss	(64,510,829)	(63,325,994)
Total equity	9,663,103	6,847,306
Statement of financial performance		
Loss for the parent entity	(1,546,730)	(2,042,504)
Total comprehensive loss of the parent entity	(1,546,730)	(2,042,504)

b. ***Guarantees***

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries.

c. ***Commitments and contingencies***

Commitments and contingencies of the Company as at reporting date are disclosed in note 28 and 29.

d. ***Tax consolidation***

The Company and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2004. The Company is the head entity of the tax consolidated group. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Incomes Taxes. There is no tax funding agreement in place.

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

e. ***Material accounting policy information***

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 3, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 26 Related party disclosures

Key management personnel compensation

The key management personnel compensation is as follows:

	2024 $	2023 $
Short-term employee benefits	583,933	567,542
Share based payments	37,874	-
Total	621,807	567,542

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 26 Related party disclosures (continued)

Transactions with key management personnel

Director advances

During the 2023 and 2024 years the Directors advanced funds to the Company during the year to provide short term liquidity support.

Transactions with director related entities

During the year, $120,444 sales have been made to Aeristech Limited (2023: $71,424), an entity of which Mr Li Chen is a director. As at 30 June 2024, a balance of $26,448 has been recognised within trade and other receivables (note 13). The value of purchases made during the year was $nil with no balance owed to this related party as at 30 June 2024.

There was no other sales and purchases made to other companies of which a member of key management personnel is a shareholder either directly or indirectly via holdings in other entities.

Payables to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2024 $	2023 $
Trade and other payables – *owed to directors for director services and reimbursements*	360,127	190,244
Total	360,127	190,244

Note 27 Controlled entities

a. Parent entity

Sprintex Limited is the ultimate parent, based and listed in Australia.

The financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

	Country of Incorporation	% equity interest	
		2024	2023
Sprintex USA, Inc.	United States	100	100
Sprintex Clean Air (Malaysia) Sdn. Bhd	Malaysia	100	100
Sprintex Energy Technology (Suzhou) Co., Ltd	China	100	100

Sprintex USA, Inc. was incorporated on 13 July 2012 to facilitate sales and distribution in the United States.

Sprintex Clean Air (Malaysia) Sdn. Bhd. operates a production facility in Malaysia.

Sprintex Energy Technology (Suzhou) Co., Ltd was established in 2021 to pursue clean energy technology opportunities in China. Subsequently, it has expanded to pursue global energy saving opportunities in Environmental, Industrial and Agricultural industries.

Note 28 Contingent liabilities

There are no contingent assets nor contingent liabilities as at 30 June 2024 (2023: nil).

Note 29 Commitments

a. Capital commitments

As at 30 June 2024 and 2023, the Group did not have any outstanding capital commitments in respect of acquisition of property plant and equipment contracted for but not provided for in the financial statements.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 30 Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. There are no externally imposed capital requirements.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2024 and 2023, no dividends have been paid. The Company does not yet have a dividend policy and payment of future dividends will be dependent upon the future profitability and financial position of the Company.

Note 31 Financial risk management

The Group's financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Group's overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Group.
Risk management is carried out under an approved framework covering a risk management policy and internal compliance and control by management. The Board identifies, evaluates and approves measures to address financial risks.

	Note	2024 $	2023 $
Financial assets			
Cash and cash equivalents	24	1,908,240	19,253
Pledged bank deposits	12	30,000	30,000
Trade and other receivables	13	467,650	162,316
Total financial assets		2,405,890	211,569

Financial liabilities Financial liabilities at amortised cost:	Note	2024 $	2023 $
Trade and other payables	18	1,631,053	1,220,607
Loans and finance leases	19	4,278,208	2,593,579
Lease liabilities	17	432,189	605,194
Total financial liabilities		6,341,450	4,419,380

The Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Mitigation strategies for specific risks faced are described below.

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are interest rate risk, credit risk, liquidity and foreign currency risk.

Interest rate risk

As disclosed in Note 19, the majority of the Group's borrowings relates to:

- Convertible loan notes with annual rates of interest of between 4% and 12 % fixed on the face value of the notes;
- Bank loans with a fixed rate of interest of 3.95% per annum.

On this basis, the Group is not exposed to any material interest rate risk given rates on its borrowings are fixed. The Group had no borrowings with a variable interest rate at 30 June 2024 (2023: nil).

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 31 Financial risk management (continued)

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of each financial asset in the statement of financial position after deducting any expected credit losses.

Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Trade receivables are due within 0 to 90 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases, committed available credit lines and raising additional capital. The Group manages its liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis and monitoring compliance with lending covenants on an ongoing basis.

The following table details the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

Year ended 30 June 2024	Carrying Amount $	Total contractual undiscounted cash flow $	1 year to 5 years $	More than 1 year but less than 2 years $	More than 2 years but Less than 5 years $
Trade and other payables	1,631,053	1,631,053	1,631,053	-	-
Loans and convertible notes	3,898,199	3,898,199	3,898,199	-	-
Lease liabilities – plant & equipment	21,660	21,660	3,963	17,697	-
Lease liabilities - buildings	410,529	410,529	291,572	118,957	-
	5,961,441	5,961,441	5,824,787	136,654	-

Year ended 30 June 2023	Carrying Amount $	Total contractual undiscounted cash flow $	1 year to 5 years $	More than 1 year but less than 2 years $	More than 2 years but Less than 5 years $
Trade and other payables	1,220,607	1,220,607	1,220,607	-	-
Loans and convertible notes	2,536,982	2,536,982	914,482	1,622,500	-
Lease liabilities	56,597	56,597	10,359	11,134	35,104
Building lease liabilities	605,194	605,194	274,618	235,773	94,803
	4,419,380	4,419,380	2,420,066	1,869,407	129,907

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 31 Financial risk management (continued)

Currency risk

The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Euros, United States dollars, and Malaysian Ringgit. Currently, the Group does not have a policy to manage the currency risk arising from sales and purchases.

All the Group's borrowings are denominated in the functional currency of the entity taking out the loan. Given this, management does not expect that there will be any currency risk associated with the Group's borrowings.

The following table details the Group's exposure at the reporting date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	2024 US $	2023 US $
Trade and other receivables	3,118	18,165
Cash and cash equivalents	26,994	9,065
Trade and other payables	(74,778)	(9,697)
	(44,666)	17,533

	2024 MYR	2023 MYR
Trade and other receivables	-	734,604
Cash and cash equivalents	57,536	3,254
Trade and other payables	(426,347)	(222,563)
	(368,811)	515,295

	2024 CNY	2023 CNY
Trade and other receivables	1,297,059	1,229,671
Cash and cash equivalents	277,072	77,543
Trade and other payables	(474,855)	(3,747,347)
	1,099,276	(2,440,133)

Fair value estimation

All financial instruments are carried at amounts not materially different from their fair values as at 30 June 2024 and 30 June 2023.

The carrying value of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The directors consider that the change in interest rates will not cause a significant impact on the fair values of the financial liabilities.

No financial instruments are carried at fair value.

Notes to the consolidated financial statements

for the year ended 30 June 2024

Note 32 Events subsequent to reporting period

On 5 July 2024, 8,500,000 shares were issued in relation to 8,500,000 options that were exercised at 3.5 cents per option at 30 June 2024. The issue of shares resulted in cash receipts of A$297,500.

On 10 July 2024, 5,500,000 shares were issued on conversion of convertible notes at 2.5 cents with a face value of A$137,500.

On 1 October 2024, the Group was suspended on the ASX due to the non-lodgement of the annual report. Upon lodgement of this annual report, it is anticipated that the Group will resume trading on the ASX.

On 8 October 2024, the Group repaid the loan owing to the bank in China for a total of RMB 1,500,000.

On 8 October 2024, the Group entered into a loan of A$350,000 repayable on or before 31 March 2025. The loan bears a 5% arrangement fee and an interest rate of 6% per annum.

Apart from the items above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future.

Consolidated entity disclosure statement

As at 30 June 2024

BASIS OF PREPARATION

This Group Disclosure Statement has been prepared in accordance with the Section 295 (3A) of the Corporations Act 2001 and includes the required information for Sprintex Ltd and the entity it controls in accordance with AASB 10 Consolidated Financial Statements.

TAX RESIDENCY

S295 (3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretations that could be adopted, and which could give rise to different conclusions regarding residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

Current legislation and judicial precent has been applied, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where appropriate, independent tax advisors have been engaged to assist in the determination of tax residency to ensure applicable foreign tax legislation has been compiled with.

Name of entity	Entity Type	Country of Incorporation	% of share capital held	Australian or foreign tax resident	Foreign jurisdiction of foreign residents
Sprintex Limited	Body Corporate	Australia	n/a	Australian	n/a
Sprintex USA, Inc.	Body Corporate	USA*	100%	Foreign	USA*
Sprintex Clean Air (Malaysia) Sdn. Bhd.	Body Corporate	Malaysia	100%	Foreign	Malaysia
Sprintex Energy Technology (Suzhou) Co., Ltd	Body Corporate	China	100%	Foreign	PRC**

*United States of America

**People's Republic of China

Directors' declaration

The Directors of the Company declare that:

1. The consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (b) complying with international Financial Reporting Standards as issued by the international Accounting Standards Board as described in Note 3 to the Consolidated Financial Statement, and

   (c) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date.

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. The information disclosed in the Group Disclosure Statement is true and correct.

4. The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

JUDE UPTON
Managing Director and CEO
Dated this Wednesday, 16 October 2024

PKF Brisbane Audit
ABN 33 873 151 348
Level 2, 66 Eagle Street
Brisbane, QLD 4000
Australia

+61 7 3839 9733
brisbane@pkf.com.au
pkf.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPRINTEX LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Sprintex Limited (the Company) and its consolidated entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the financial report of Sprintex Limited is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 3(c) of the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters (KAM) are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. In addition to the KAM noted below, a material uncertainty regarding going concern has been included above, which by nature is a KAM but has not been repeated below.

1. Revenue recognition

Why significant	How our audit addressed the key audit matter
As at 30 June 2024, the recorded revenue from continuing operations of the group was $1,196,118 (2023: $1,021,832), as disclosed in Note 6(a). As disclosed in the accounting policy in Note 3(e), revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Other revenue is recognised when it is received or when the right to receive payment is established. As disclosed in Note 4(a), management judgement is required in relation to revenue recognition from contracts with customers involving sale of goods. When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access. Revenue is considered a key audit matter (KAM) due to: • The material nature of revenue in the current year which predominately relates to revenue recognised in China; and • The complexity surrounding review of contracts of customers and determining whether performance obligations or milestones exist which may impact revenue recognition, resulting in revenue recognition not necessarily being recognised on delivery of goods.	Our work included, but was not limited to, the following procedures: • Assessing the Group's revenue recognition policy and ensuring this had been consistently applied by all components; • Evaluating the design of the internal controls relation to the revenue recognition process; • Testing a sample of revenue transactions to supporting customer contract/PO, proof of delivery/picking slip, customer invoice, customer receipt in the bank statement, and general ledger posting to ensure revenue has been properly recorded; • Performing substantive procedures over cut-off of revenue by testing a sample of inventory movements around the year-end to supporting invoices and proof of delivery/picking slips to ensure revenue recognition had been properly recorded in the correct period in the general ledger; • Validating the revenue recognised against the requirements of Australian Accounting Standard AASB 15 by reviewing a sample of revenue transactions against customer contracts/PO; and • Ensuring revenue disclosures are in accordance with the requirements of AASB 15.

2. Convertible loan notes

Why significant	How our audit addressed the key audit matter
As at 30 June 2024 the balance of convertible loan notes, recorded as debt in the financial statements was \$3,898,199 (2023: \$2,121,000), as disclosed in Note 19. The accounting policy for convertible loan notes is disclosed in Note 3(r) of the financial report. As disclosed in Note 4(a), management judgement is required in relation to the treatment of convertible loan notes as it involves assessment of various factors to ensure accurate representation in the financial statements. The valuation of convertible loan notes involves significant judgement and estimation due to their nature, embodying elements of both debt and equity. The determination of fair value at issuance requires consideration in particular of the potential equity conversion feature. Furthermore, the decision on how to account for the conversion option demands judgement. Given the impact of these judgements and estimates on financial position and performance, transparent disclosure of judgements made is critical to comprehend the inherent uncertainties associated with convertible loan notes' accounting treatment. Convertible loan notes have been identified as a key audit matter (KAM) due to: • The significance of the convertible loan notes to the Group's financial position; and • The degree of management judgement required around the consideration of debt versus equity in accordance with AASB 132 and AASB 9 Financial Instruments.	Our work included, but was not limited to, the following procedures: • Reviewing ASX announcements relating to convertible loan notes issued and converted during the year; • Reviewing managements' calculations of the number and value of notes issued and converted during the year, and the closing number and value of notes at 30 June 2024; • Obtaining copies of signed agreements and reviewing the key terms and conditions to assess whether managements' judgement to treat the convertible loan notes as debt was in accordance with relevant accounting standards; • Reviewing journals posted by management at year end in relation to convertible loan notes; and • Reviewing the Group's accounting policy and disclosures made in the financial report to ensure these are adequate for users to understand the nature and treatment of convertible loan notes. Based on our review of the convertible loan note agreements, we concurred with managements' assessment that the notes were not equity in nature as the terms fail the fixed-for-fixed requirements of AASB 132.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/ Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Sprintex Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

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PKF BRISBANE AUDIT

TIM FOLLETT
PARTNER
BRISBANE
16 OCTOBER 2024

Additional information for listed public companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Capital as at 7 October 2024

a. Ordinary share capital

545,624,794 ordinary fully paid shares held by 778 shareholders.

b. Unlisted Options over Unissued Shares

Number of Options	Exercise Price $	Expiry Date
12,871,111	$0.0750	31/12/2024
16,875,696	$0.1000	30/06/2025
2,750,000	$0.1000	30/06/2025
4,000,000	$0.1000	31/03/2026
21,820,000	$0.1000	30/06/2025
58,316,807		

c. Performance Rights over Unissued Shares

Class of Performance Right	Performance Condition	Performance rights No.	Milestone Date	Expiry Date
A	achieving at least A$20,000,000 revenue for the financial year ending 30 June 2025	35,000,000	30 June 2025	2 years from the date of issue
B	achieving at least A$30,000,000 revenue for the financial year ending 30 June 2026	15,000,000	30 June 2026	3 years from the date of issue
		50,000,000		

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Unlisted Options**: Options do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance shares convert and subsequently registered as ordinary shares.
- **Performance Rights**: A Performance Right does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company. A Performance Right does not entitle a Holder to any dividends. A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up of the Company. A Performance Right is not transferable.

e. Substantial Shareholders as at 7 October 2024

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
CHINA AUTOMOTIVE HOLDINGS LIMITED	108,850,000(1)	19.95%
MR DAVID PAUL STEICKE	69,961,320	12.82%
EURO MARK LIMITED	60,178,680	11.03%
MR MICHAEL JOHN WILSON & MRS MEGAN JOY WILSON	32,000,000(2)	5.86%

(1) Held by Citicorp Nominees Pty Ltd as nominee.

(2) Two parcel of shares held 29,000,000 by Mr Michael John Wilson & Mrs Megan Joy Wilson and 3,000,000 held by Mr Michael John Wilson & Mrs Megan Joy Wilson <The Wilson S/F A/C>

Additional information for listed public companies

f. Distribution of Shareholders as at 7 October 2024

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	139	40,288	0.01
1,001 – 5,000	95	254,747	0.05
5,001 – 10,000	116	818,523	0.15
10,001 – 100,000	249	9,462,160	1.73
100,001 – and over	179	535,049,076	98.06
	778	**545,624,794**	**100.00**

g. Unmarketable Parcels as at 7 October 2024

At the date of this report there were 306 shareholders who held less than a marketable parcel of shares holding 722,277 shares.

h. On-Market Buy-Back

There is no current on-market buy-back.

i. Restricted Securities

The Company has no restricted securities

j. 20 Largest Shareholders — Ordinary Shares as at as at 7 October 2024

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	CITICORP NOMINEES PTY LIMITED	113,755,238	20.85
2.	MR DAVID PAUL STEICKE	69,961,320	12.82
3.	EURO MARK LIMITED	60,178,680	11.03
4.	MR MICHAEL JOHN WILSON & MRS MEGAN JOY WILSON	32,000,000	5.86
5.	BNP PARIBAS NOMINEES PTY LTD	28,685,029	5.26
6.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	21,602,083	3.96
7.	LIDX TECHNOLOGY LIMITED	21,200,258	3.89
8.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	19,879,463	3.64
9.	E&E TURBO-POWER CO LIMITED	15,697,582	2.88
10.	GUANGZHOU FINANCIAL PTY LTD	13,057,713	2.39
11.	MR STEVEN JAMES APEDAILE & MRS MICHELLE LYNDA APEDAILE	12,362,529	2.27
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,880,172	1.63
13.	BROTHERS KJS PTY LTD <BROTHERS INC SUPER FUND A/C>	5,609,321	1.03
14.	TOP FUEL PROMOTIONS PTY LTD	5,592,288	1.02
15.	ELLIOTS ELEVEN LTD	5,000,000	0.92
16.	MISHTALEM PTY LTD	4,750,000	0.87
17.	BELLRAY HOLDINGS PTY LTD	4,535,490	0.83
18.	AUTOV CORPORATION SDN BHD	3,805,940	0.70
19.	MR SCOTT LINDSAY	3,550,000	0.65
20.	MR ZHENGLIANG WU	2,666,667	0.49
	Top 20 Holders of SIX ordinary fully paid	**452,769,773**	**82.99**
	Total remaining holders balance	**92,855,021**	**17.01**
	Total holders balance	**545,624,794**	**100.00**

Additional information for listed public companies

2 The name of the Company Secretary is Michael Van Uffelen.

3 Principal registered office

As disclosed in the Corporate directory on page 2 of this Annual Report.

4 Registers of securities

As disclosed in the Corporate directory on page 2 of this Annual Report.

5 Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, As disclosed in the Corporate directory on page 2 of this Annual Report.

6 Use of funds

The Company has used its funds in accordance with its initial business objectives.