Appendix 4D

(Rule 4.2A.3)

Half year report

Name of entity	ABN
Sprintex Limited	38 106 337 599

1. Details of the Reporting Period and the Previous Corresponding Period

Financial period ended ("current period")	Financial period ended ("previous period")
31 December 2014	31 December 2013

2. Results for Announcement to the Market

					A$'000
2.1	Revenues from ordinary activities	down	45%	to	292
2.2	Loss from ordinary activities after tax attributable to members	up	34%	to	2,601
2.3	Net loss for the period attributable to members	up	225%	to	5,147
2.4	Dividends	Amount per security		Franked amount per security	
	Interim dividend	A$Nil		A$Nil	
2.5	Record date for determining entitlements to the dividend			N/A	
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable to figures to be understood				
	Please refer to the Directors' Report in the Half Year Report which has been subject to independent review by the Auditors, PKF Mack for detailed explanation.				

3. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	A$0.0008	A$0.0023

4. Control Gained or Lost Over Entities

4.1	Name of entity (group of entities)	N/A
4.2	Date control gained or lost	N/A
4.3	Contribution of such entities to the reporting entity’s profit/(loss) from ordinary activities during the period (where material)	N/A

5. Dividends

The Company has not declared or paid any final dividends for 2013/2014 year or interim dividend for current period.

6. Dividend Reinvestment Plans

The Company has no dividend reinvestment plan.

7. Details of Associates and Joint Venture Entities

See Notes 6 and 10 to the Half-year Report

8. Foreign Entities

Not Applicable.

9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

Not Applicable.

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2014

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

CONTENTS

CORPORATE INFORMATION

The Company's functional and presentation currency is AUD ($).

ASX Code: SIX

ABN 38 106 337 599

Directors
R Siemens, Chairman
D White, Deputy Chairman and Acting CEO
M Wilson
R O'Brien

Company Secretary
R Molkenthin

Registered Office and Principal Place of Business
183 Mulgul Road
Malaga WA 6090
Phone: (08) 9262 7277

Share Register
Advanced Share Registry Limited
110 Stirling Hwy
Nedlands WA 6009
Phone: 08 9389 8033

Bankers
National Australia Bank
3 Exhibition Drive
Malaga WA 6090

Auditors
PKF Mack
Level 4, 35 Havelock Street
West Perth WA 6005

Solicitors
Allion Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

DIRECTORS' REPORT

Your directors present their report on the Consolidated Entity consisting of Sprintex Limited (the Company) and the entities it controlled for the six months ended 31 December 2014.

Directors

The names of the Company's Directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Richard John Siemens	Non-Executive Chairman	
David Kenneth White	Deputy Chairman & Acting Chief Executive Officer	Appointed 13 December 2013
	Non-Executive Deputy Chairman	From 6 September 2013 to 13 December 2013
	Non-Executive Director	To 6 September 2013
Michael John Wilson	Non-Executive Director	
Richard John O'Brien	Non-Executive Director	
Mr Steven James Apedaile	Non-Executive Director	resigned 27 November 2014
	Managing Director	resigned 13 December 2013

Principal Activities

The principal activity of Sprintex Limited ("Sprintex") and the entities it controlled for the six months ended 31 December 2014 was the manufacture and distribution of the patented range of Sprintex® superchargers and supercharger systems.

Review and Results of Operations

The Consolidated Entity recorded an increase in the net loss from $2,284,408 for the half-year period ended 31 December 2013 to $5,146,855 for the current half-year. Sales for the half-year were $291,863 (2013: $650,443) representing a decrease of 55%. Gross loss on sales for the half-year ended 31 December 2014 was $134,020, compared to a gross loss of $87,025 for the same period in 2013.

The focus of activities over the past six months has been:

1. Successfully released the supercharger system for the Chrysler 3.6L V6 Pentastar engine for Jeep Wrangler.
2. Continued development of the supercharger system for the Dodge Ram.
3. Expansion and development of the North American market for the Company's products.
4. Released from development the new 335 Race system for the Toyota 86/Subaru BRZ/Scion FR-S, and
5. Released the Honda CRZ system.

On 27 August 2014, the Company launched a Share Purchase Plan (SPP). The SPP closed on 18 November 2014 and raised $297,500, exceeding the Company's expectations.

In October 2014, the Company made a placement of 63,333,333 shares at $0.003, raising $190,000 for working capital for the Company.

During the period, the provision by a limited number of shareholders and Directors of short term loans to the Company, enabled the continued development of the Company and its products, the completion of various important projects, enabled the re-establishment of supplier relationships and provided funds for the development of a new direct route to market in the important aftermarket of North America. The conversion of these short term loan amounts of $3,342,975 into fully paid shares in the Company was voted on and accepted by the shareholders at a General Meeting of the shareholders held in November 2014. This debt conversion was important to the Company as it reduced the level of debt on the Company's balance sheet and freed working capital for the future needs of the Company.

Events after Reporting Date

On 22 January 2015, the Company received its 2014 R&D tax incentive rebate of $1,466,428.

On 24 February 2015, the Company announced a 3 for 5 non-renounceable rights issue to shareholders with registered addresses in Australia and New Zealand. This offer of approximately 1,383,481,273 new shares at an issue price of $0.002 could raise approximately $2,770,000, before costs.

Auditor's Independence Declaration

The auditor's independence declaration for the half-year ended 31 December 2014 has been received and is included at Page 4 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

David White
Deputy Chairman
Perth, 27 February 2015

PKF MACK

Chartered Accountants & Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF SPRINTEX LIMITED

In relation to our review of the financial report of Sprintex Limited for the half year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Mack

PKF MACK

SIMON FERMANIS
PARTNER

27 FEBRUARY 2015
WEST PERTH,
WESTERN AUSTRALIA

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PO Box 609 | West Perth | Western Australia 6872 | Australia

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	NOTES	31 December 2014 $	30 June 2014 $
CURRENT ASSETS			
Cash and cash equivalents	9	78,412	173,067
Pledged bank deposits	4	112,000	137,695
Trade and other receivables	5	161,733	189,514
Inventories		1,294,631	1,178,454
TOTAL CURRENT ASSETS		**1,646,776**	**1,678,730**
NON-CURRENT ASSETS			
Investment in joint venture	6	-	-
Property, plant and equipment		1,268,088	1,342,997
Goodwill & intellectual property		5,503	11,098
TOTAL NON-CURRENT ASSETS		**1,273,591**	**1,354,095**
TOTAL ASSETS		**2,920,367**	**3,032,825**
CURRENT LIABILITIES			
Trade and other payables		851,088	552,394
Interest bearing liabilities	7	657,720	2,108,792
Provisions		188,496	195,378
TOTAL CURRENT LIABILITIES		**1,697,304**	**2,856,564**
NON-CURRENT LIABILITIES			
Interest bearing liabilities	7	32,229	39,658
TOTAL LIABILITIES		**1,729,533**	**2,896,222**
NET ASSETS		**1,190,834**	**136,603**
EQUITY			
Contributed equity	8(a)	48,869,045	42,668,526
Reserves		77,215	76,648
Accumulated losses		(47,755,426)	(42,608,571)
TOTAL EQUITY		**1,190,834**	**136,603**

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	2014 $	2013 $
Revenue	291,863	650,443
Cost of goods sold	(425,883)	(737,468)
Gross (loss) profit	**(134,020)**	**(87,025)**
Other income	58,449	102,534
Research & development incentive grant	-	78,788
Distribution & marketing expenses	(34,840)	(155,182)
Research & development expenses	(904,916)	(1,046,276)
Inventory impairment expense	(649,505)	(239,556)
Write-back of joint venture impairment	117,274	147,236
Administration expenses	(1,053,938)	(741,844)
Other expenses	-	-
Operating loss	**(2,601,496)**	**(1,941,325)**
Finance costs	(7,090)	(43,074)
Share of loss of joint venture	(309,638)	(300,009)
Loss on extinguishment of financial liability	(2,228,631)	-
Loss before income tax expense	**(5,146,855)**	**(2,284,408)**
Income tax benefit	-	-
Net loss for the period	**(5,146,855)**	**(2,284,408)**
Other comprehensive income, net of tax		
- Items that will not be reclassified to profit or loss	-	-
- Items that will be reclassified to profit or loss	-	-
Total comprehensive loss for the period	**(5,146,855)**	**(2,284,408)**
Loss per share attributable to the ordinary equity holders of the Company		
Basic loss per share	0.40 cents	0.26 cents
Diluted loss per share	0.40 cents	0.26 cents

The Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Contributed equity	Reserves			
	Ordinary shares	Share option reserve	Option premium reserve	Accumulated Losses	Total
	$	$	$	$	$
For the half-year ended 31 December 2014					
Balance at 1 July 2014	**42,668,526**	**76,648**	**-**	**(42,608,571)**	**136,603**
Loss for the period	-	-	-	(5,146,855)	(5,146,855)
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income	-	-	-	(5,146,855)	(5,146,855)
Transactions with owners in their capacity as owners	-	-	-	-	-
Issue of shares and options	6,276,223	-	-	-	6,276,223
Options exercised	-	-	-	-	-
Share issue expenses	(75,704)	-	-	-	(75,704)
Share-based payments	-	567	-	-	567
Balance at 31 December 2014	**48,869,045**	**77,215**	**-**	**(47,755,426)**	**1,190,834**
For the half-year ended 31 December 2013					
Balance at 1 July 2013	**40,220,341**	**71,215**	**-**	**(37,785,175)**	**2,506,381**
Loss for the period	-	-	-	(2,284,408)	(2,284,408)
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income	-	-	-	(2,284,408)	(2,284,408)
Transactions with owners in their capacity as owners					
Issue of shares and options	1,742,354	-	167,790	-	1,910,144
Options exercised	85,008	-	(85,008)	-	-
Share issue expenses	(748)	-	-	-	(748)
Share-based payments	-	3,600	-	-	3,600
Balance at 31 December 2013	**42,046,955**	**74,815**	**82,782**	**(40,069,583)**	**2,134,967**

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	NOTES	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		319,171	764,874
Payments to suppliers and employees		(2,127,019)	(2,861,540)
Interest and finance lease charges paid		(7,090)	(42,238)
Interest received		473	2,849
Research & development grant received		-	1,331,449
Net cash flows used in operating activities		(1,814,465)	(804,606)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advance to joint venture		(788,489)	(152,773)
Placement of restricted deposit		-	(50,000)
Proceeds from sale of property, plant and equipment		440	151,057
Refund of restricted deposit		25,695	-
Payments for property, plant and equipment		(90,580)	(64,457)
Net cash flows (used in) / generated from investing activities		(852,934)	(116,173)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share capital raising		704,617	1,630,144
Capital raising costs		(75,686)	(748)
Proceeds from borrowings		2,004,360	255,456
Repayment of borrowings		(60,547)	(856,490)
Net cash flows generated from financing activities		2,572,744	1,028,360
Net (decrease) / increase in cash and cash equivalents		(94,655)	107,581
Cash and cash equivalents at the beginning of the financial period	9	173,067	52,970
Cash and cash equivalents at the end of the financial period	9	78,412	160,551

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

1. Corporate information

Sprintex Limited (the "Company") is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The Company's registered office is 183 Mulgul Road, Malaga WA 6090.

The principal activity of the Company and the entities it controlled (the "Group" or "Consolidated Entity") for the half-year ended 31 December 2014 remained the same, being the manufacture and distribution of the patented range of Sprintex® superchargers and supercharger systems.

The general purpose condensed consolidated financial statements of Sprintex Limited for the half-year ended 31 December 2014 were authorised for issue and approved by the Board of Directors on 27 February 2015.

2. Basis of Preparation and Accounting Policies

Basis of preparation

These general purpose condensed consolidated financial statements for the half year ended 31 December 2014 have been prepared in accordance with AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 as appropriate for "for-profit" oriented entities. Compliance with AASB134 ensures compliance with International Financial Reporting Standard IAS34 'Interim Financial Reporting'.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated, and the condensed consolidated financial statements have been prepared on the historical cost basis except for investments, which have been measured at fair value.

The half-year financial report should be read in conjunction with the annual Financial Report of the Company for the year ended 30 June 2014.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

2. Basis of Preparation and Accounting Policies (continued)

Going concern

The Company has net assets and net current liabilities of $1,190,834 and $50,528, respectively, as at 31 December 2014 and incurred a loss of $5,146,855 and net operating cash outflow of $1,814,465 for the six month period ended 31 December 2014.

The Company'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:

- the ability to raise sufficient working capital to ensure the continued implementation of the Company's business plan; and
- delivery of existing and new products through the Company's distribution network to generate sales revenues and positive cash flows.

The financial report has been prepared on a going concern basis. In arriving at this position the directors have had regard to the fact that the Company has, or in the directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

Should the Company not achieve the matters set out above, there is significant uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to 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.

Australian Accounting Standards not yet effective

The following Australian Accounting Standards have been issued or amended and are applicable to the financial statements of the consolidated group but are not yet effective. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New, revised or amended Accounting Standards:

AASB No.	Title	Application date of Standard	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2010
AASB 2013-9	Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments Part C - Financial Instruments	Part C - 1 January 2015	December 2013
AASB 2014-1	Amendments to Australian Accounting Standards Part D - Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts Part E - Financial Instruments	Part D - 1 January 2016 Part E - 1 January 2018	June 2014
AASB 2014-3	Amendments to Australian Accounting Standard – Accounting for Acquisition of Interest in Joint Operations	1 January 2016	August 2014
AASB 2014-4	Amendments to Australian Accounting Standard - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	1 January 2016	August 2014
AASB 2014-5	Amendments to Australian Accounting Standard Arising From AASB 15	1 January 2017	December 2014

2. Basis of Preparation and Accounting Policies (continued)

Australian Accounting Standards not yet effective (cont'd)

AASB 2014-7 AASB 2014-8	Amendments to Australian Accounting Standard Arising From AASB 9	1 January 2018	December 2014
AASB 2014-9	Amendments to Australian Accounting Standard - Equity Method in Separate Financial Statements	1 January 2016	January 2015
AASB 2014-10	Amendments to Australian Accounting Standard - Sale of Contribution of Assets Between Investors and its Associates or Joint Venture	1 January 2016	January 2015
AASB 14	Regulatory Deferral Account	1 January 2016	June 2014
AASB 15	Revenues from Contracts with Customers	1 January 2017	December 2014

Adoption of new or revised accounting standards and interpretations

New Accounting Policies Adopted Effective 1 July 2014

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The Group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
The Group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

2. Basis of Preparation and Accounting Policies (continued)

Adoption of new or revised accounting standards and interpretations (cont'd)

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.
The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior half-years.

Principles of Consolidation
The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Sprintex Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 10.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

2. Basis of Preparation and Accounting Policies (continued)

Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the Group's interests in joint arrangements are provided in Note 6.

3. Operating Segment

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team.

The Company operates in one segment, being the manufacture and distribution of the patented range of Sprintex® superchargers and supercharger systems. These products are complementary, produced using similar production processes and sold to similar customers through the same distribution channels.

4. Pledged Bank Deposits

Pledged bank deposits at 31 December 2014 represented fixed deposits as follows:

- a term deposit maturing on 30 June 2015 bearing interest at 3.00% per annum of $30,000 supporting credit card facilities;
- a term deposit maturing on 31 March 2015 bearing interest at 2.60% per annum, pledged against a guarantee in the amount of $82,000 issued by a bank on behalf of the Company.

	31 December 2014 $	30 June 2014 $
5. Trade and Other Receivables		
Trade receivables	40,222	22,627
Allowance for impairment loss	-	-
	40,222	-
Other receivables	47,604	5,786
Trade deposits	24,212	153,714
Prepayments	49,695	7,387
	161,733	189,514

Trade deposits

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

6. Investment in a Joint Venture

Proreka Sprintex Sdn. Bhd. is a Malaysian company which is 50% owned by the Company and owns and operates a facility in Malaysia which has been licenced to assemble and manufacture Sprintex® products under licence from the Company.

At 31 December 2014, in view of the losses being incurred by the joint venture, the carrying value of the balances with the joint venture were assessed for impairment and fully impaired.

	31 December 2014 $	30 June 2014 $
7. Interest Bearing Liabilities		
Current		
Insurance premium funding	17,414	-
Finance lease liabilities	16,614	29,006
Loans from related parties (1)	623,692	2,053,129
Convertible notes	-	26,657
	657,720	2,108,792
Non-current		
Finance lease liabilities	32,229	39,658

(1) Loans were converted into 1,114,325,128 shares for a value of $3,342,975. The fair value of these shares was $5,571,606 which resulted in a loss to the profit and loss of $2,228,631

8. Contributed Equity

	31 December 2014 $	30 June 2014 $
Paid up capital – ordinary shares	50,030,610	43,754,389
Capital raising costs capitalised	(1,161,565)	(1,085,863)
	48,869,045	42,668,526

(a) Ordinary shares

Movements in Ordinary Share Capital	Number of shares	$
Balance at 1 July 2014	959,964,478	42,668,526
Issue of shares during the period	1,349,170,980	6,200,519
Balance as at 31 December 2014	2,309,135,458	48,869,045

	31 December 2014 $	30 June 2014 $

9. Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following amounts:

	31 December 2014 $	30 June 2014 $
Cash	78,412	173,067
Cash and cash equivalents	78,412	173,067

10. Interests in Subsidiaries

Name of Entity	Principal Place of Business	Ownership Held by the Group 31 December 2014 %	30 June 2014 %
Sprintex Australasia Pty Limited	Australia	100	100
AAC Property Investments Pty Limited	Australia	100	100
Sprintex USA, Inc.	United States	100	100

11. Commitments and contingencies

The only changes to the commitments disclosed in the most recent annual financial report are specified below.

(a) Finance lease and hire purchase commitments

Since 30 June 2014, the Company repaid several leases in respect of certain plant and equipment and motor vehicles under finance leases and purchased additional assets via finance leases. The revised finance lease and hire purchase commitments for the Company are as follows:

	31 December 2014 $	30 June 2014 $
Within one year	20,038	32,442
After one year but not more than five years	35,826	45,844
Total minimum lease payments	55,864	78,286
Less: amounts representing finance charges	(7,021)	(9,623)
Present value of minimum lease payments	48,843	68,663
Included in the financial statements as:		
Current interest-bearing liabilities	16,614	29,006
Non-current interest-bearing liabilities	32,229	39,657
	48,843	68,663

(b) Capital commitments

As at 31 December 2014, the Company had no outstanding capital commitments in respect of acquisition of property plant and equipment contracted for but not provided for in the financial statements.(30 June 2014: Nil).

(c) Joint venture

The Company has committed to support a joint venture company, Proreka Sprintex Sdn. Bhd. (see note 6). The amount of this commitment is not yet known. In addition, the Company's Joint Venture, Proreka Sprintex Sdn. Bhd. (JV) obtained bank financing of 80% of the equipment cost under a facility totalling RM 5 million (approximately $1.6 million) (Facility). The financing was conditional on each of two of the Malaysia resident directors of the JV, AutoV Corporation Bhd (the Company's joint venture partner) and AutoV Corporation Bhd's parent, Globaltec Bhd, providing an 'all monies guarantee' to secure the Facility. The Company has provided indemnities totalling half of the limit under the Facility, being a maximum of RM 2.5 million (approximately $0.8 million), to support the guarantees issued by the aforesaid parties.

12. Events after the reporting date

On 22 January 2015, the Company received its 2014 R&D tax incentive rebate of $1,466,428.

On 24 February 2015, the Company announced a 3 for 5 non-renounceable rights issue to shareholders with registered addresses in Australia and New Zealand. This offer of approximately 1,383,481,273 new shares at an issue price of $0.002 could raise approximately $2,770,000, before costs.

Other than the matters noted above, no matter or circumstance has arisen since 31 December 2014 that has significantly affected or may significantly affect the operations, results or state of affairs of the Company in the following or future years.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Sprintex Limited, we state that:

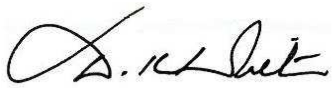
In the opinion of the directors:

(a). The financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

- (i) complying with the Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of the performance for the half-year ended on that date; and

(b). Subject to the matters referred to in note 2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 27th day of February 2015



David White
Deputy Chairman and acting CEO

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

SPRINTEX LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sprintex Limited (the Company) and controlled entities (the consolidated entity) which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2014 or during the half year.

Director's Responsibility for the Half-Year Financial Report

The directors of Sprintex Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Sprintex Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors of the company a written Auditor's Independence Declaration.

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Basis for Qualified Review Conclusion

Opening Balances

During the audit of the financial report for the year ended 30 June 2014, we were unable to obtain sufficient and appropriate audit evidence to support the Company's share of loss in the joint venture entity, Proreka Sprintex Sdn. Bhd (Proreka) for that reporting period amounting to $(411,877) and related impairment of the investment expense of $(535,753). Furthermore, we were unable to obtain sufficient and appropriate audit evidence to support the existence of inventory for that reporting period amounting to $313,197. In addition, we were not provided with sufficient and appropriate audit evidence to support the carrying value of inventory totalling $1,178,454 and cost of goods sold totalling $(896,097). Our audit opinion on the financial report for the year ended 30 June 2014 was modified accordingly as a result of these matters.

Since the opening balances affect the determination of the results of operations and cash flows, we are unable to determine whether any adjustments to the results of operations, cash flows and opening accumulated losses might be necessary for the half year period ended 31 December 2014. Our conclusion on the current period's interim report is modified because of the possible effect of this matter and on the comparability of the current period's figures and corresponding figures.

Joint Venture

During the review of the financial report for the half year ended 31 December 2014, we were unable to obtain sufficient and appropriate audit evidence to support the Company's share of loss in the joint venture entity, Proreka for that reporting period amounting to $(309,638) and related write back of joint venture impairment expense of $117,274. Accordingly, we could not determine whether any adjustments to the share of loss in the joint venture entity or the write back of joint venture impairment expense were necessary.

Inventory

The Company's inventory balance at 31 December 2014 totals $1,294,631 in the statement of financial position and the cost of goods sold in the statement of profit or loss and other comprehensive income totals $(425,833).

We were unable to attend a stock take for inventory held by a third party on behalf of the Company with a value of $540,659 as at 31 December 2014. We were unable to satisfy ourselves by other means as to the existence of this inventory and therefore we cannot confirm the existence of this inventory. Accordingly, we could not determine whether any adjustments to inventory or cost of goods sold were necessary.

Qualified Conclusion

Based on our review, which is not an audit, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves in relation to the matters detailed in the basis for qualified review conclusion, we have not become aware of any matter that makes us believe that the half-year financial report of Sprintex Limited and controlled entities is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 2 in the financial report which indicates that the consolidated entity incurred a net loss of $(5,146,855) during the half year ended 31 December 2014 (31 December 2013: $(2,284,408)) and had negative operating cashflow of $(1,814,465) (31 December 2013: $804,606). These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

PKF Mack

PKF MACK

SIMON FERMANIS
PARTNER

27 FEBRUARY 2015

West Perth,
Western Australia