

SPRINTEX LIMITED
ACN 106 337 599

NOTICE OF GENERAL MEETING

183 Mulgul Road, Malaga WA 6090
on 26 August 2016 at 10.00 am WST

THIS DOCUMENT IS IMPORTANT

This Notice of General Meeting and Explanatory Statement should be read in its entirety.

If you do not understand this document or are in any doubt as to how to deal with this document, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary on +61 8 9262 7222

CORPORATE DIRECTORY

Directors	Richard Siemens David White Michael Wilson Richard O'Brien Raymond Lau
Secretary	Robert Molkenthin
Registered Office	183 Mulgul Road MALAGA WESTERN AUSTRALIA 6090 Telephone: +61 8 9262 7222 Facsimile: +61 8 9262 7288
Auditor	PKF Mack Level 4 35 Havelock Street WEST PERTH WESTERN AUSTRALIA 6005 Telephone: +61 8 9322 2798
Solicitors	Allion Partners Level 9 863 Hay Street PERTH WESTERN AUSTRALIA 6000 Telephone: +61 8 9216 7100
Share Registry	Advanced Share Registry Services 110 Stirling Highway NEDLANDS WESTERN AUSTRALIA 6009 Telephone: +61 8 9389 8033
ASX Code	SIX

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the Shareholders of Sprintex Limited (**Company**) will be held at 10.00 am (WST) on Friday, 26 August 2016 at 183 Mulgul Road, Malaga, Western Australia.

AGENDA

ORDINARY BUSINESS

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES TO CHINA AUTOMATIVE HOLDINGS LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*That for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 5,000,000 Shares (**CAHL Shares**) at \$0.30 per CAHL Share to China Automotive Holdings Limited (**CAHL**), an entity controlled by Mr Richard John Siemens, the Non-Executive Chairman of the Company for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting.*

Voting exclusion: The Company will disregard any votes cast on Resolution 1 by CAHL, a person who is to receive securities in relation to the Company, and any person associated with CAHL. However, the Company will not disregard any votes cast on Resolution 1 if:

- (a) it is cast by a person as a proxy, appointed in writing that specifies how the Proxy is to vote on the Resolution, for a person who is entitled to vote, and it is not cast on behalf of CAHL and any associate of CAHL; or
- (b) it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice of General Meeting is incorporated in and comprises part of this Notice of General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of General Meeting and Explanatory Statement.

PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Proxy Forms must be received by the Company no later than 10.00am (WST) on Wednesday, 24 August 2016.

Proxy Forms received after this time will be invalid.

“SNAP-SHOT” TIME

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Company’s directors have determined that all Shares of the Company that are quoted on ASX at 10.00am (WST) on Wednesday, 24 August 2016 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

BY ORDER OF THE BOARD OF DIRECTORS

Robert Molkenthin
Company Secretary
Sprintex Limited

25 July 2016

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2016 General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the preceding Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. RESOLUTION 1: APPROVAL TO ISSUE SHARES TO CHINA AUTOMATIVE HOLDINGS LIMITED

1.1 Background

CAHL has offered to subscribe for up to 5,000,000 Shares with a value of up to \$1.5 million at an issue price of \$0.30 per share each (**CAHL Shares**) to be used by the Company to continue the development of its current sales strategy and for general working capital purposes.

The issue of the CAHL Shares by the Company will not increase the interest of CAHL in the Company in excess of 62.923% of the Company's share capital. CAHL will be in compliance with the Corporations Act and in particular, the 3% creep exemption in item 9 of section 611 of the Corporations Act.

1.2 Listing Rules

Listing Rule 10.11 provides that, unless a specified exception applies, a company must not issue or agree to issue securities to a related party without the approval of ordinary shareholders. A "related party", for the purposes of the Listing Rules, has the meaning given to it in the Corporations Act, and includes the directors of a company and any entity controlled by a director of the company (unless the entity is also controlled by the Company).

As such, Shareholder approval is sought under Listing Rule 10.11 as Resolution 1 proposes the issue of securities to China Automotive Holdings Limited (**CAHL**), who is a related party of the Company by virtue of it being an entity controlled by Mr Richard John Siemens, the Non-Executive Chairman of the Company.

As Shareholder approval is being sought under Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

1.3 Listing Rule 10.13

In compliance with the information requirements of Listing Rule 10.13, Shareholders are advised of the following information:

(a) **Name of person to receive securities**

China Automotive Holdings Limited, a company associated with Mr Richard John Siemens, the Non-executive Chairman of the Company.

(b) **Maximum number of securities to be issued**

The maximum number of CAHL Shares that may be acquired by CAHL under Resolution 1 is 5,000,000.

(c) **Date of issue**

The Company anticipates that the CAHL Shares will be issued on or about 16 September 2016 and in any event not later than 1 month after the date of the General Meeting (or such later date as permitted by ASX waiver or modification of the Listing Rules).

(d) **Relationship with the Company**

The CAHL Shares are proposed to be issued to CAHL. CAHL is controlled by Mr Richard John Siemens, the Non-Executive Chairman of the Company, and is, as such, a related party of the Company.

(e) **Issue price**

The price per CAHL Share acquired is \$0.30 per share.

(f) **Terms of issue**

The CAHL Shares will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

The Company will apply to ASX for official quotation of the CAHL Shares.

(g) **Intended use of the funds raised**

The purpose of the issue is to raise up to \$1.5 million for the Company. The intended use of the funds raised under the issue is intended to allow the Company to continue the development of its current sales strategy and for general working capital purposes.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 1 is included in the Notice of General Meeting preceding this Explanatory Statement.

1.4 Regulatory Requirements: Corporations Act

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" is widely defined under the Corporations Act, and includes the directors of the company and any entity controlled by the directors of the company (unless that entity is also controlled by the company). As such, CAHL is a related party of the Company for the purposes of Section 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, Section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the CAHL Shares under Resolution 1 constitutes the provision of a financial benefit to a related party.

One of the nominated exceptions to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (or on terms less favourable than arm's length).

Approval is not being sought under Chapter 2E of the Corporations Act in this Resolution 1 as it is the view of the Directors that the issue of the CAHL Shares by the Company to CAHL is being made on an arm's length basis.

1.5 Board Recommendation

The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the CAHL Shares to CAHL pursuant to this Resolution 1.

The Directors, other than Mr Richard John Siemens who has a material personal interest in the outcome of Resolution 1 and Mr Raymond Lau, who is associated with Mr Siemens, recommend that Shareholders vote in favour of Resolution 1 on the basis that the grant of the CAHL Shares will allow the Company to continue the development of its current sales strategy and for general working capital purposes.

GLOSSARY

In these Notice of Meeting, Explanatory Statement and Schedules, each of the following terms have the following meanings unless the context otherwise requires:

\$	Australian dollars.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the securities market operated by the ASX Limited (as the context requires).
Board	Board of Directors of the Company.
CAHL Share	The Shares to be issued to CAHL pursuant to Resolution 1.
Company	Sprintex Limited ACN 106 337 599.
Constitution	Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	Director of the Company and Directors has a corresponding meaning.
Listing Rules or ASX Listing Rules	The official listing rules of ASX.
Meeting or General Meeting	The general meeting of the Company convened pursuant to this Notice of Meeting.
Notice of Meeting or Notice of General Meeting	This notice of General Meeting.
Proxy Form	The proxy form enclosed with this notice of General Meeting.
Related Party or Related Parties	Has the meaning given to that term in the Listing Rules.
Resolution	A resolution contained in this Notice of General Meeting.
Share	Fully paid ordinary share in the capital of the Company.
Shareholder	Holder of a Share.
WST	Australian Western Standard Time.

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different
from above):

Appointment of Proxy

I/We being a shareholder/s of Sprintex Limited and entitled to attend and vote hereby appoint

☐

The Chairman
of the meeting
(mark with an 'X')

OR

Write here the name of the person you are
appointing if this person **is someone
other than** the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Sprintex Limited to be held at **183 Mulgul Road, Malaga, Western Australia on Friday, 26 August 2016 at 10.00am WST** and at any adjournment of that Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all Resolutions If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman specific voting directions on an item, you should mark the appropriate box opposite those items below (directing the Chairman to vote for, against, or to abstain from voting).

Voting directions to your proxy – please mark ☒ to indicate your directions

Ordinary Business

For

Against

Abstain*

Resolution 1.

Approval to issue Shares to China Automotive Holdings Limited

☐☐☐

*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

%

Appointment of a second proxy (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

Individual or Shareholder 1

**Sole Director & Sole
Company Secretary**

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete this Proxy Form

1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note that you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company. Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

If you direct your proxy how to vote validly in accordance with these instructions and your proxy fails to either attend the Meeting or vote on any directed Resolution, the Chairman of the Meeting is taken to have been appointed as the proxy for the purposes of voting on that Resolution at the Meeting and must vote in accordance with your proxy.

4 Voting entitlements

In accordance with the Corporations Act, the Company has determined that the Shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register as at 10:00am (WST) on Wednesday, 24 August 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

5 Voting in person

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the attached Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with Section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

6 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Robert Anthony Molkenthin on (08) 9262 7277 or you may photocopy this form. To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

7 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

8 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not

later than 48 hours before the commencement of the meeting i.e. no later than 10.00am WST on Wednesday, 24 August, 2016. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at 183 Mulgul Road, Malaga, WA, 6090 or sent by facsimile to the registered office on (08) 9262 7288.