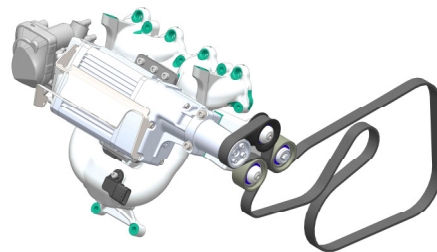


Dear Shareholder,

At the Company's 2011 AGM, approval was given to change the name of the Company to **Sprintex Limited (ASX Code: SIX)**. This is a significant milestone which is not merely symbolic, but the culmination of a journey that commenced 3 years ago and which is far from complete and is representative of the Company's focus on bringing Sprintex's world leading technology to the mass automotive markets of the world.

Having world leading technology is not enough on its own, so the Company set about finding a joint venture partner who shared our vision of low cost, high volume manufacturing in order to take a competitively priced product into an expanding market. This search took three years and included a number of false starts, but ended in July 2011 when the Company announced it had entered into a binding heads of agreement with Proreka (M) Sdn. Bhd. (**Proreka**), a Tier 1 automotive component manufacturer and supplier to car companies including Proton and Toyota. Proreka share our vision and worked closely with us to secure a key inaugural order for the supply of 500 supercharger systems to Proton for the Satria Neo – our largest order to date. Since formalising this agreement, Proreka has merged with AutoV Corporation Bhd, a listed Malaysian company, further strengthening the Company's partner.

The three year journey is a reflection of the time required for product introduction. Having laid the seeds by first developing after-market supercharger systems to validate our products to original equipment manufacturers ('OEMs'), the Company is now on the cusp of harvesting the benefits. The OEM market has the potential to deliver the large volumes required to enable the Company to achieve the production economies of scale necessary to reduce costs. Needless to say, OEMs require certainty and employ a robust assessment program before introducing changes to established products.



*Proton Satria Neo supercharger system*

Establishing a new manufacturing and assembly facility is no mean feat and has taken careful planning and co-ordination, which is well underway. A lease for a factory in the prestigious 'Glenmarie' area of Shah Alam in Selangor State Malaysia has been signed and the fit-out is well progressed. Key long lead-time equipment has been ordered, and we are on schedule for assembly to commence in December 2011 and manufacturing in April 2012.



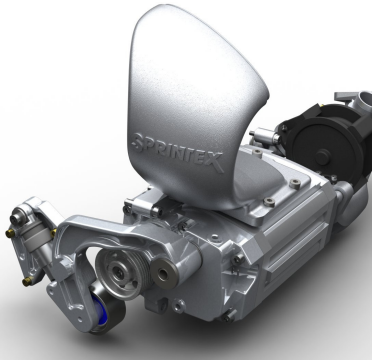
*Malaysian Factory - No 2, Jalan Peguam U1/25, Hicom Glenmarie Industrial Park, 40150 Shah Alam*



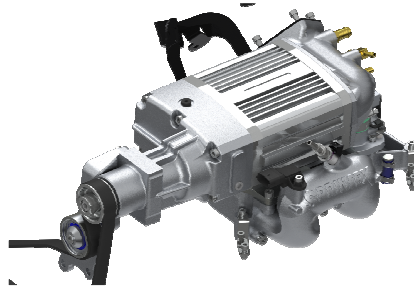
Production is only one side of our business, product development is the other side. In February 2011, we announced that the S5-150 supercharger had achieved 84% isentropic efficiency, the highest for any such system in the world. This achievement has been the culmination of an extensive research and development program which has been ongoing for the past eight years.

After-market systems remain an important part of our business, and two new after-market systems; the 1.5 litre Honda Jazz / Fit supercharger system and the BMW Mini Cooper S upgrade system, have been released. These systems are an opportunity for us to introduce Sprintex products to the motor sports divisions of OEMs, with a goal of

encouraging the OEM to work with Sprintex to initially develop OEM motor sport division limited release vehicles and to ultimately reach the main stream power train divisions of OEMs.



BMW Mini Cooper S upgrade system



Jeep TJ Wrangler supercharger system



Jeep JK Wrangler supercharger system

- Proreka is leveraging its established contacts and network in Asia
- Bullet has been appointed as exclusive distributor for Australia, and
- Kenmar Corporation, a US company based in Detroit which celebrated its 50<sup>th</sup> year in the automotive technology and supply business with a presence in six countries which manages approximately US\$1 billion of automotive component sales, was appointed in July 2011 to represent the Company in North and South America to car manufacturers.



1.5 litre Honda Jazz / Fit supercharger system

After-market supercharger systems for the TJ and JK Wranglers have also been developed and are in production, with anticipated release dates of January 2012 and February 2012, respectively. We expect high demand for these systems (there are over 600,000 JK Jeeps in the market) and are in negotiation with regional partners for their exclusive distribution in key markets.

The product achievements of the Company were recognised by the automotive industry with the both the JK Jeep Wrangler supercharger system and Mini Cooper S Upgrade supercharger system each receiving Specialty Equipment Market Association (SEMA) Global Media Awards for being top ten products for 2011. SEMA is the world's premier and largest automotive aftermarket gathering held annually in Las Vegas and these awards have focused international attention on our Company and products.

With the establishment of a high volume, low cost manufacturing facility well progressed and new products developed, attention is now focused on sales and distribution:

Distribution is the key to sales and profitability, a core immediate focus. Discussions are well advanced with a number of prospective distributors and dealers.

Your Board and Management look forward to the hard work propelling your Company forward in 2012 and would like to thank all shareholders for their support.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steven Apedaile'.

Steven Apedaile  
Managing Director