

31 January 2013

Dear Shareholder,

Attached is the quarterly cash flow report of the Company for the December 2012 quarter.

The focus of activities during the quarter has been:

1. Continuing commissioning of the Malaysian production facility, including finalizing tooling for machines, training staff and undertaking test production runs to calibrate machines and to ensure compliance of parts produced with our tight tolerances.
2. Establishing supply lines for the Malaysian production facility. This has included a strict vendor selection process in order to ensure that parts supplied adhere to the tolerances needed for our products.
3. Building a dealer network to sell Jeep supercharger systems in the United States, which is being spearheaded by our US Sales Manager who was recruited during the period.
4. Expanding our after market supercharger range, with the order for a supercharger system for the Toyota 86 / Subaru BRZ / Scion FR-S received from PMI for the US market (see the announcement on 26 September 2012).

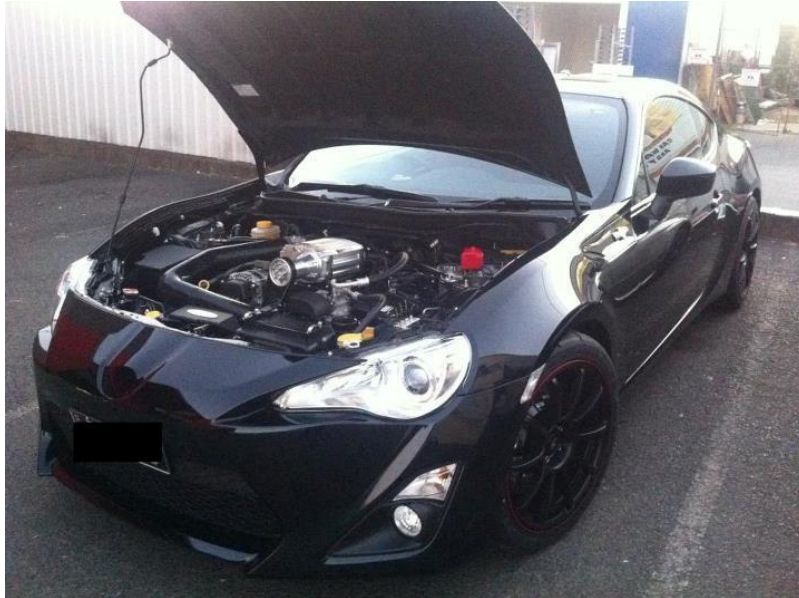
The first superchargers were produced from the Malaysian facility in January 2013, which now positions the Company to deliver volume product. Photos of the facility in Malaysia follow:



In the 4<sup>th</sup> quarter of 2012, to support our sales push, we commenced a product awareness campaign in the US via advertising and attendance at trade shows focused on our Jeep supercharger systems. This product awareness campaign will continue in the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2013 with attendance at a number of prominent Jeep events, including the King of Hammers and Hog Wild, the Easter Jeep Safari and, in April, Jeep Beach in Florida to continue to raise brand and product awareness in the Jeep community in the US.

Our after-market Jeep supercharger system product range spans 2006 to 2011, for which we are offering customers the option of Hypertech or Diablo tuners.

The Toyota FT86 / Subaru BRZ supercharger system is set to become a highly sought after after-market supercharger system. First Scion FR-S systems are scheduled to be delivered in February 2013 and we have received orders from a variety of countries including Australia, Germany, Japan, Spain, and the US. A photo of our supercharger system installed on a dealer's car follows:



The Company has been funded primarily by an equity raising completed in the third quarter of 2012, the exercise of options issued to participants in the entitlement issue and loans from directors. Additional funding was received from the receipt of an R&D Tax Incentive grant in January 2013 of \$960k of which \$300k was used to repay director loans. Further options were exercised in January 2013 providing \$400k of funding.

We would like to thank our shareholders for their ongoing support, particularly in the current phase of adding production capacity and new products which position the Company to grow.

Yours faithfully,



Steven Apedaile  
Managing Director

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Sprintex Limited

ABN

38 106 337 599

Quarter ended ("current quarter")

31 December 2012

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	389	567
1.2 Payments for		
(a) staff costs (note 1)	(426)	(900)
(b) advertising and marketing	(68)	(122)
(c) research and development	(38)	(60)
(d) leased assets	-	-
(e) other working capital	(526)	(1,250)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	7
1.5 Interest and other costs of finance paid	(4)	(9)
1.6 Income tax received	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(671)</b>	<b>(1,767)</b>

+ See chapter 19 for defined terms.

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**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(671)	(1,767)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(35)	(70)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	(186)	(186)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(221)</b>	<b>(221)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(892)</b>	<b>(2,023)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	377	845
1.16 Proceeds from rights issue received in advance	-	-
1.17 Proceeds from borrowings	400	400
1.18 Repayment of borrowings	(38)	(99)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	<b>739</b>	<b>1,146</b>
<b>Net increase (decrease) in cash held</b>	<b>(153)</b>	<b>(877)</b>
1.21 Cash at beginning of quarter/year to date	328	1,052
1.22 Exchange rate adjustments	-	-
1.23 <b>Cash at end of quarter</b>	<b>175</b>	<b>175</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	80
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors' fees and remuneration

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	175	328
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) – credit card	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>175</b>	<b>328</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 January 2013  
 (Managing Director)

Print name: Steven Apedaile

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## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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