



**SPRINTEX LIMITED**  
**ABN: 38 106 337 599**

**ASX Announcement**

**ASX Code: SIX**

25 May 2014

Mr Sebastian Bednarczyk  
Senior Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Limited  
Level 8 Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

**By email: [Sebastian.Bednarczyk@asx.com.au](mailto:Sebastian.Bednarczyk@asx.com.au)**

Dear Sebastian

**Sprintex Limited (the “Company”)**

We refer to your letter dated 22 May 2014 and respond to your questions in the same order.

1. The Company expects to have sufficient cash to fund its ongoing activities. Subsequent to the release on 1 May 2014 of the Appendix 4C for the quarter ended 31 March 2014, the Company was able to secure additional short-term financing and the Company continues to engage in advanced discussions with shareholders and potential investors for the provision of additional funding to complete its current business model. The Company is also evaluating other sources of finance. The sensitive nature of these discussions and resultant outcomes will be disclosed, if required, on completion.
2. The current business plan contemplates further losses, in the short term, and further funding requirements which are in line with the Company’s budgets. The Board of Directors are aware of the Company’s working capital requirements and the need to access additional funds. As stated above, the Company is in advanced discussions with shareholders and potential investors with a view to those investors funding the Company’s operations, or evaluating other sources of finance.
3. The Company’s actual revenues and expenses in the quarter are not significantly different from those anticipated, and are constantly being reviewed as further advancements are made in the development of its core product. As mentioned in point 1 above, The Company and its directors are currently engaged in confidential discussions which will provide additional working capital in line with our business plan which will meet the company’s objectives.
4. Not applicable – as per response given in point 3 above.

5. I refer you to point 1 above, in relation to the steps the Company is taking to enable it to continue to meet its business objectives.
6. The Company confirms it is in compliance with the ASX Listing Rules, and in particular, Listing Rule 3.1
7. In response to the ASX query on what steps the Company has taken, or steps it proposes to take, to demonstrate that the financial position of the Company is sufficient to warrant continued quotation of the Company's securities and its continued listing on ASX in accordance with the requirements of Listing Rule 12.2, the Company refers to point 1 above, whereby the entity has secured short-term financing and is in advanced discussions with shareholders and potential investors with a view to those investors funding the Company's operations, or evaluating other sources of finance.

In addition:

- i. The net assets of the Company at 31 March 2014 were \$1,637,762 (unaudited).
- ii. The Company expects to have access to funds upon conclusion of its current capital raising efforts.
- iii. Following the completion of the current development of its core product, the Company expects revenues to increase from 1 July 2014.
- iv. The Company will also receive funds from its 2013/2014 Research and Development tax incentive claim.

Please do not hesitate to contact us if you have any further queries.

Yours sincerely

**Robert Molkenthin**  
**Company Secretary**

ENDS

## Company Overview

Sprintex Limited (Sprintex) is the ISO 9001 accredited designer and manufacturer of the patented low emission, highly efficient Sprintex® twin screw supercharger. Following commissioning of a low cost volume manufacturing facility in Malaysia, Sprintex is now focusing on participation in the exponential growth underway in the global forced induction marketplace from this new state of the art facility.



ASX Compliance Pty Limited  
ABN 26 087 780 489  
Level 8 Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

GPO Box D187  
PERTH WA 6840

Telephone 61 8 9224 0000  
Facsimile 61 8 9221 2020  
[www.asx.com.au](http://www.asx.com.au)

22 May 2014

Robert Molkenhain  
Company Secretary  
Sprintex Limited  
183 Mulgool Road  
MALAGA WA 6090

By email: [robertm@sprintex.com.au](mailto:robertm@sprintex.com.au)

Dear Robert

**Sprintex Limited (the "Company")**

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 31 March 2014, released to ASX Limited ("ASX") on 1 May 2014 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$170,000.
2. Net negative operating cash flows for the quarter of \$1,014,000.
3. Cash at end of quarter of \$394,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may not have sufficient cash to fund its activities for the next quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?
4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.

5. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
6. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
7. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on **facsimile number 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than half an hour before the commencement of trading (7:30 am WST) on Monday, 26 May 2014**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please contact me on 9224 0000.

Yours sincerely,

*[sent electronically without signature]*

Sebastian Bednarczyk  
**Senior Adviser, Listings Compliance (Perth)**