APPENDIX 4E

PRELIMINARY FINAL REPORT
12 MONTHS ENDED 30 JUNE 2018

Details of the reporting period and the previous corresponding period

Name of entity
SPRINTEX LIMITED

ACN	Reporting Period	Previous Corresponding Period
106 337 599	Year ended 30 June 2018	Year ended 30 June 2017

Results for announcement to the market

		Change		Amount
Revenue from ordinary activities	Down	3.0%	to	$2,206,794
Loss from ordinary activities after tax attributed to members	Down	59.5%	to	$1,748,198
Basic loss per share cents per share*	Down	62.7%	to	1.75 cents

Dividends	Amount per Security	Franked amount per Security
Interim Dividend	Nil	Nil
Final Dividend	Nil	Nil

Record Dates of determining dividend – N/A

Commentary on results and other significant information
Please refer to the attached 2018 financial report for further information on the Group's financial position and performance for the year ended 30 June 2018.

Dividend reinvestment plans
The Company does not operate a dividend reinvestment plan.

Net Tangible Asset Backing	**2018** (cents)	**2017** (cents)
Net Tangible (Liabilities) / Assets per ordinary share	(0.016)	0.002

Details of controlled entities acquired or disposed of
n/a

Details of associates and joint ventures
The Company has a manufacturing facility in Malaysia with a joint venture partner (see note 7).

Audit
This report is based on the financial statements which are in the process of being audited.

Robert Molkenthin
Company Secretary

Operating and financial review

Group overview

The Company was established in 2003 and listed on the ASX in 2008.

The Group's focus is the development and commercialisation of the Sprintex® twin screw supercharger and supercharger systems incorporating the Sprintex® twin screw supercharger.

The Group's HQ facility in Perth, Western Australia is our dedicated research and development base, and is where our creative Design, Engineering and Calibration team work together to provided technical and innovative solutions to support both aftermarket and OEM requirements with the use of the Sprintex® twin screw supercharger. With capability for low volume production, manufacturing and testing at the facility, the team is well equipped to provide engineering concept ideas and solutions at low cost.

The Sprintex production facility in Malaysia in the 'Glenmarie' area of Shah Alam, Selangor was commissioned in January 2013 encompassing 1,800 sqm. This is jointly-owned with AutoV Corporation, parent company of Proreka (M) Sdn. Bhd, a Tier-1 automotive component manufacturer and supplier. Certified to ISO9008 and able to provide high volume quality parts and systems, supported by a highly trained production and engineering team, the Malaysian facility and its team have continued to grow and expand their knowledge and performance to provide a solid production platform for the Group. The Group also has a distribution and final assembly facility in Detroit, Michigan USA, where it can launch its products to the USA and Canadian markets. The shared facility of over 36,000 sqm also provides customer support and sales and marketing for the region.

After market supercharger systems

The focus of the Group's activities during the year has been:

1. Research and development of the Sprintex supercharger for the Pentastar Version 2 engine.
2. Front entry supercharger development.
3. Research and development of an OEM twin boosted system.
4. Research and development of an OEM high torque at low RPM system for diesel platforms.
5. Ongoing expansion and development of the North American market for the Company's products.
6. Expansion and development in the Asia and Middle East markets for the Company's products.
7. Introduction and expansion into the OEM Marine sector.
8. Further development and refinement of the supercharger system on additional models within the Chrysler/Jeep Pentastar range, tuning solutions for the 2018/2019 ranges of vehicles, as well as looking at potential for other OEM platforms, including Ford and GM.

On 3 July 2017, Mr Tyrone Jones, formerly Chief Operating Officer, was appointed to the position of Chief Executive Officer.

Business strategies

The Group is focused on developing new superchargers and supercharger systems from its dedicated R&D facility in Perth with manufacturing of products being primarily from the Group's production facility in Malaysia. The expanded range of products is intended to immediately service the needs of the aftermarket sector, where the key drivers are improved performance, while also enabling the Group to showcase its products to Original Equipment Manufacturers with whom the Group is continuing to build business relationships, with a view to securing future sales orders.

Operating results for the year

The Company has continued focusing on the development of after-market supercharger systems and establishing world class technical and quality standards for its production facility in Malaysia. The Company has also been required to provide cash support for the operations of the JV in Malaysia.

	2018 $	2017 $	Change %
Revenue	2,206,794	2,274,050	3.0%
Net loss for the year	(1,748,198)	(4,321,180)	59.5%

*Loss per Share**

Basic loss and diluted loss per share for 2018, 1.7 cents (2017 – 4.7 cents). See Note 4.

Review of financial condition

Liquidity and capital resources

The Group continued to incur operating losses as a result of the focus on development activities and setting up of its Malaysian facility and the requirement to provide increased cash support for the JV operations. These activities were financed by a number of capital raising initiatives, the provision of substantial financial support from third parties, sales of products and the receipt of an AusIndustry Research and Development Incentive grant.

At year end, cash and cash equivalents were $87,022 compared to $201,636 at 30 June 2017.

Asset and capital structure	2018 $	2017 $
Total borrowings	2,666,444	297,410
Cash and cash equivalents	(87,022)	(201,636)
Net debt	2,579,422	95,774
Total equity	(1,559,849)	230,320
Total capital	1,019,573	326,094
Gearing ratio – net debt over total capital	**253.0%**	**29.4%**

Gearing ratio, defined as net debt over total capital, as at 30 June 2018 was 253.0% (2017: 29.4%). The Group's policy for the year ended 30 June 2018 allows up to 60% of financing to be provided by net debt at any particular time. The Group is currently operating outside its stated policy and steps are underway to bring this down in accordance with the Group's policy. Management's policies for determining whether fixed or floating rates of interest are entered into are examined on an annual basis.

Capital raising issues during the year

On 27 July 2017 and on 16 August 2017, the Company received US$500,000 and US$400,000 respectively pursuant to unsecured loan facility agreements with Ganado Investment Corporation Ltd, an unrelated third party. These facilities were repayable on or before 31 December 2017 and attracted a facility fee of US$55,000 and US$45,000, in-lieu of interest and other charges. These loans, and associated fees payable, were refinanced with the lender with a new loan of US$1,000,000 repayable on or before 15 December 2018, with a facility fee of US$110,000.

On 20 November 2017, 6 March 2018 and 30 April 2018, the Company received advances totalling $835,338 under a loan agreement with New York-based Innovation Structured Finance (ISF), which was facilitated by Perth-based Radium Capital. Under this agreement, the Company is able to obtain quarterly advances of up to 80% of the expected 2018 Research & Development (R&D) tax offset resulting from each quarter's eligible R&D expenditures, with principal and interest repaid from the actual tax offsets at the end of the financial year.

The Company received the 2017 R&D Tax Incentive of $1,440,787 on 11 December 2017.

Capital expenditure
Property, plant and equipment of $161,698 (2017: $141,217) were acquired during the year ended 30 June. These acquisitions related to plant and equipment, including tooling, needed to produce the Company's products. The Company did not have any outstanding capital commitments in respect of acquisition of property plant and equipment contracted for but not provided for in the financial statements.

Profile of borrowings
The profile of the Group's debt finance is as follows:

	2018 $	2017 $
Current		
Insurance premium funding	114,550	112,690
Finance lease liabilities	80,099	78,727
Loan from Ganado Investment Corporation Ltd	1,498,582	-
Loan from Radium Capital	886,132	-
	2,579,363	191,417
Non-current		
Finance lease liabilities	87,081	105,993
	2,666,444	297,410

Likely Developments and Expected Results

The Company is actively working to enhance its existing products and develop new products to assist in strengthening its revenue base in 2019. The marketing campaigns in Australia, the Middle East, Asia and North America are continuing and are showing positive results.

Events after Reporting Date

In the interval between the end of the year end and the date of this report, in the opinion of the directors of the Company, no item, transaction or event of a material and unusual matter has occurred which is likely to significantly affect the operations of the Consolidated Entity, the results of these operations, or the state of affairs of the Company, in future financial years, other than as set out below:

On 14 August 2018 US$425,000 was received from China Automotive Holdings Limited ("CAHL") and AUD100,000 was received from Wilson's Pipe Fabrication Pty Ltd ("WPF"). CAHL, a substantial shareholder of the Company, is a related party of the Company by virtue of CAHL being an entity controlled by Mr Richard Siemens, the non-executive Chairman of the Company. WPF is a related party of the Company by virtue of WPF being an entity controlled by Mr Michael Wilson, a substantial shareholder and a non-executive Director of the Company. This funding is unsecured and is repayable no later than 9 February 2019, and attracts facility fees of US$46,750 and AUD11,000 respectively, in-lieu of interest and other charges.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	2018 $	2017 $
Sales of goods and services		2,206,794	2,274,050
Revenue		**2,206,794**	**2,274,050**
Cost of goods sold		(1,504,273)	(1,776,028)
Gross profit		**702,521**	**498,022**
Other income	3.1	38,125	6,101
Forgiveness of related party debt		765,333	-
Research and development incentive grant		1,440,787	1,858,390
Reversal of inventory impairment		733,989	-
Distribution and marketing expenses		(734,666)	(841,379)
Research and development expenses		(1,373,143)	(1,842,083)
Joint venture impairment expense		(890,400)	(1,068,147)
Administration expenses		(2,013,889)	(2,478,433)
Other expenses	3.2	(89,048)	(159,296)
Operating loss		**(1,420,390)**	**(4,026,825)**
Finance income	3.3	316	1,229
Finance costs	3.4	(328,124)	(96,310)
Loss on extinguishment of financial liabilities		-	(199,274)
Loss before income tax expense		**(1,748,198)**	**(4,321,180)**
Income tax benefit		-	-
Net loss for the year		**(1,748,198)**	**(4,321,180)**
Other comprehensive income, net of tax			
- Movement in foreign translation reserve		(81,440)	32,473
Total comprehensive loss for the year		**(1,829,638)**	**(4,288,707)**
Loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share	4	$0.017	$0.047
Diluted loss per share	4	$0.017	$0.047

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2018

	NOTES	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10(b)	87,022	201,636
Pledged bank deposits	5	30,000	30,000
Trade and other receivables	6	374,983	236,857
Inventories		828,626	937,955
TOTAL CURRENT ASSETS		**1,320,631**	**1,406,448**
NON-CURRENT ASSETS			
Property, plant and equipment		938,293	1,011,505
TOTAL NON-CURRENT ASSETS		**938,293**	**1,011,505**
TOTAL ASSETS		**2,258,924**	**2,417,953**
CURRENT LIABILITIES			
Trade and other payables		1,010,288	1,663,918
Interest bearing liabilities	8	2,579,363	191,417
Provisions		142,041	226,305
TOTAL CURRENT LIABILITIES		**3,731,692**	**2,081,640**
NON-CURRENT LIABILITIES			
Interest bearing liabilities	8	**87,081**	**105,993**
TOTAL LIABILITIES		**3,818,773**	**2,187,633**
NET ASSETS		**(1,559,849)**	**230,320**
EQUITY			
Contributed equity	9	56,477,246	56,437,777
Reserves		(41,600)	117,055
Accumulated losses		(57,995,495)	(56,324,512)
TOTAL EQUITY		**(1,559,849)**	**230,320**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

		Reserves			
CONSOLIDATED ENTITY	**Contributed equity**	**Share option reserve**	**Foreign translation reserve**	**Accumulated losses**	**Total**
	Note 9				
	$	$	$	$	$
Balance at 30 June 2016	**51,869,795**	**77,215**	**7,367**	**(52,003,332)**	**(48,955)**
Loss for the year	-	-	-	(4,321,180)	(4,321,180)
Movement in the foreign translation reserve	-	-	32,473	-	32,473
Total Comprehensive income for the year	**-**	**-**	**32,473**	**(4,321,180)**	**(4,288,707)**
Transactions with owners in their capacity as owners					
Issue of shares	4,675,241	-	-	-	4,675,241
Expiry of options		(77,215)		77,215	-
Share issue expenses	(107,259)	-	-	-	(107,259)
Balance at 30 June 2017	**56,437,777**	**-**	**39,840**	**(56,247,297)**	**230,320**
Loss for the year	-	-	-	(1,748,198)	(1,748,198)
Movement in the foreign translation reserve	-	-	(81,440)	-	(81,440)
Total Comprehensive income for the year	**-**	**-**	**(81,440)**	**(1,748,198)**	**(1,829,638)**
Transactions with owners in their capacity as owners					
Issue of shares	-	-	-	-	-
Share issue expenses	39,469	-	-	-	39,469
Balance at 30 June 2018	**56,477,246**	**-**	**(41600)**	**(57,995,495)**	**(1,559,849)**

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,121,244	2,339,642
Payments to suppliers and employees		(4,686,268)	(5,402,214)
Interest and finance lease charges paid		(11,958)	(96,310)
Interest received		316	1,229
Research and Development incentive grant received		1,440,787	1,858,390
Net cash flows used in operating activities	10(a)	(1,135,879)	(1,299,263)
CASH FLOWS FROM INVESTING ACTIVITIES			
Contribution to joint venture entity		(915,590)	(1,388,011)
Repayment of secured deposit		-	82,000
Proceeds from sale of property, plant and equipment		58,687	7,273
Payments for property, plant and equipment		(8,241)	(14,132)
Net cash flows (used in) generated from investing activities		(865,144)	(1,312,870)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,072,058	1,720,321
Repayment of borrowings		(185,649)	(1,077,928)
Proceeds from share capital raised		-	1,144,500
Capital raising costs		-	(111,171)
Net cash flows generated from financing activities		1,886,409	1,675,722
Net (decrease) / increase in cash and cash equivalents held		(114,614)	(936,411)
Cash and cash equivalents at the beginning of the financial year		201,636	1,173,316
Effects of exchange rate changes on cash and cash equivalents		-	(35,269)
Cash and cash equivalents at the end of the financial year	10(b)	87,022	201,636

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

1. Basis of preparation

This preliminary final report has been prepared in compliance with Australian Accounting Standards (AASBs) (including Australian interpretations) as issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

This financial report does not include notes of the type normally included in annual financial statements.

It is recommended that the preliminary final report be read in conjunction with the annual report for the year ended 30 June 2018 and considered together with the continuous disclosure obligations of the ASX listing rules.

The financial report has been prepared on the historical cost basis except for land and buildings which have been measured at fair value.

The accounting policies used in this report are the same as those used in the last audited annual report.

(a) Going concern

The Company has net liabilities of $1,559,849 (2017: net assets of $230,320) and net current liabilities of $2,411,061 (2017: $675,192) as at 30 June 2018 and incurred a loss of $1,748,198 (2017: $4,321,180) and net operating cash outflow of $1,135,879 (2017: $1,299,263) for the year ended 30 June 2018.

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:

- delivery of existing and new products through the Company's distribution network to generate sales revenues and positive cash flows;
- the ability of the Company to raise additional financing; and
- the success of the manufacturing facility in Malaysia.

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.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

2. Segment information

The Company identifies its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and in determining the allocation of resources. Operating segments are identified by management based on the similarity of the products produced and sold.

The Company is operating in one segment, being the manufacture and distribution of the patented range of Sprintex® superchargers.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

		2018 $	2017 $
3.	**Revenue and expenses**		
3.1	**Other income**		
	Sundry Income	38,125	6,101
		38,125	6,101
3.2	**Other expenses**		
	Net foreign exchange loss	(89,048)	(159,296)
	Total other expenses	(89,048)	(159,296)
3.3	**Finance income**		
	Interest income	316	1,229
3.4	**Finance costs**		
	Interest and finance charges	(328,124)	(96,310)
	Total finance costs	(328,124)	(96,310)
3.5	**Employee payments including benefits expense**		
	Salaries and wages	2,256,096	2,636,852
	Superannuation expense	71,607	97,397
	Annual leave and long service leave	136,729	1,558
	Other employment expense	79,198	84,363
		2,543,630	2,820,170
3.6	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment	189,486	215,133
	Amortisation of leasehold improvements	3,772	5,083
	Total depreciation and amortisation	197,028	220,216

4. Loss per share

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to equity holders of the Company for the year of $1,748,198 (2017: $4,321,180) and the weighted average of 100,000,000 (2017: 92,150,683) ordinary shares in issue during the year.

The diluted loss per share amount for the year was the same as the basic loss per share, as the Company does not have any share options outstanding and the outstanding performance rights are anti-dilutive at 30 June 2018.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

5. Pledged bank deposits

	2018 $	2017 $
Deposit – at call	30,000	30,000
	30,000	30,000

Pledged bank deposits at 30 June 2018 represented fixed deposits as follows:

- a term deposit maturing on 30 April 2019 bearing interest at 2.60% per annum of $30,000 supporting credit card facilities;

6. Trade and other receivables

	2018 $	2017 $
Trade receivables	184,937	72,648
Other receivables	3,164	586
Trade deposits	94,150	75,732
Prepayments	92,732	87,891
	374,983	236,857

Trade receivables are non-interest bearing and are generally on 0-90 day terms. An allowance for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.

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

7. 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 by the Company to assemble and manufacture Sprintex products.

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.

8. Interest bearing liabilities

	2018 $	2017 $
Current		
Insurance premium funding (unsecured)	114,550	112,690
Finance lease liabilities	80,099	78,727
Short Term Loans	2,384,714	-
	2,579,363	191,417
Non-current		
Finance lease liabilities	87,081	105,993

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

9. Contributed equity

	2018 $	2017 $
Paid up capital – ordinary shares	57,918,212	57,918,212
Capital raising costs capitalised	(1,440,966)	(1,480,435)
	56,477,246	56,437,777

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Movements in Ordinary Share Capital	Issue Price ($)	Number of shares	$
Balance at 1 July 2017		100,000,000	56,437,777
Adjustment to capital raising costs		-	39,469
Balance as at 30 June 2018		100,000,000	56,477,246

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

10. Cash flow statement reconciliation

(a) Reconciliation of cash flows from operating activities to operating loss after income tax

	2018 $	2017 $
Operating loss after income tax	(1,748,198)	(4,321,180)
Add non-cash items:		
Depreciation and amortisation	197,028	220,216
Impairment adjustments	(877,617)	1,068,147
Inventory transfer	544,946	-
(Gain) / Loss on extinguishment of liability	(765,333)	199,274
Foreign exchange movement	(89,048)	1,926
Interest costs settled with equity	-	85,799
Changes in assets and liabilities		
Decrease / (increase) in trade and other receivables	(138,126)	(9,341)
Decrease / (increase) in inventories	109,329	1,020,529
Increase / (decrease) in trade and other payables	(653,630)	438,256
Increase / (decrease) in interest bearing liabilities	2,369,034	-
Increase / (decrease) in provisions	(84,264)	(2,889)
Net cash flows used in operating activities	(1,135,879)	(1,299,263)

(b) Reconciliation of cash and cash equivalents to consolidated statement of cash flow

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following at 30 June:

	2018 $	2017 $
Cash at bank and on hand	87,022	201,636
	87,022	201,636