APPENDIX 4E

PRELIMINARY FINAL REPORT
12 MONTHS ENDED 30 JUNE 2014

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 2014	Year ended 30 June 2013

Results for announcement to the market

		Change		Amount
Revenue from ordinary activities	Down	37.5%	to	$969,288
Loss for ordinary activities after tax attributed to members	Up	6.2%	to	$4,806,284
Basic loss per share cents per share	Down	14%	to	0.52 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 2014 financial report for further information on the Group's financial position and performance for the year ended 30 June 2014.

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

Net Tangible Asset Backing	2014 (cents)	2013 (cents)
Net Tangible Assets per ordinary share	0.014	0.453

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 8).

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 Australian Stock Exchange 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.

Operations from the Group's facility in Perth, Western Australia were supplemented in January 2013 with the commissioning of a 1,800 sqm production facility in the 'Glenmarie' area of Shah Alam in Selangor State, Malaysia which is jointly-owned with AutoV Corporation, parent of Proreka (M) Sdn. Bhd, a tier 1 automotive component manufacturer and supplier. The Perth operation is now a dedicated research and development facility with volume production being from the Malaysian facility.

After market supercharger systems

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

1. Selling the Company's after-market supercharger range, with a particular focus on the supercharger system for the Toyota 86 / Subaru BRZ / Scion FR-S.
2. Shifting production on the Company's after-market supercharger systems for the Mini Cooper S and Honda Jazz / CRZ to its production facility in Malaysia.
3. Continuing to develop a supercharger system for the Chrysler 3.6L V6 Pentastar engine for Jeep Wrangler and Ram 1500 vehicles.

To finance the operations of the Company, the Company made a one for four non-renounceable option entitlement issue of fully paid ordinary shares in the Company at a price of $0.001 per option with a $0.02 exercise price and 30 June 2014 expiry date ("Entitlement Offer"). As a result, gross proceeds of $167,790 were raised. 85,007,683 options were exercised during the period providing $1,700,154 of funding. More details of which are disclosed in note 8 to the financial statements.

Additional funding came from $200,000 of convertible notes secured against the Company's 2013 R&D Incentive Grant. Following receipt of the R&D Incentive Grant in October 2013 $160,000 of these notes and the US$600,000 convertible notes previously issued in June 2013 were repaid, with accrued interest, during the period.

In the second half of the year, the Company received financial support totalling approximately $2.2m from entities related to two directors.

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 building business relationships, with a view to securing future sales orders.

Operating results for the year

Following the downsizing in 2013 of its production operations in Perth, the Company has continued focusing on the development of after-market supercharger systems and establishing a production facility in Malaysia. The Company has also been required to provide cash support for the operations of the JV in Malaysia.

	2014 **$**	**2013** **$**	**Change** **%**
Revenue	969,288	1,550,639	(37.5%)
Net loss for the year	(4,806,284)	(4,776,580)	6.2%

Loss per Share

Basic loss and diluted loss per share for 2014 and 2013 was $0.0052 and $0.0061, respectively.

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 raising capital and the provision of substantial financial support from entities related to two directors, sales of products, receipt of Research and Development Incentive grant.

At year end, cash and cash equivalents were $167,232 compared to $52,970 at 30 June 2013.

Asset and capital structure	**2014** **$**	**2013** **$**
Total borrowings	2,148,449	1,075,677
Cash and cash equivalents	(167,232)	(52,970)
Net debt	1,981,217	1,022,707
Total equity	136,603	2,506,381
Total capital	2,117,820	3,529,088
Gearing ratio – net debt over total capital	**93.5%**	**29%**

Gearing ratio, defined as net debt over total capital, as at 30 June 2014 was 93.5% (2013: - 29%). The Group's policy for the year ended 30 June 2014 allowed up to 60% of financing to be provided by net debt at any particular time. The Group is currently operating above its stated policy but is undertaking steps to bring this down to within its policy guidelines. 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
The Company raised $167,790 from a one for four non-renounceable option entitlement issue of fully paid ordinary shares in the Company at $0.001 per option with an exercise price of $0.02 and an expiry date of 30 June 2014. As a result, 114,162,776 options were exercised and 53,626,813 options lapsed.

Capital expenditure
Property, plant and equipment of $64,457 (2013 $217,822) 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:

	2014 **$**	**2013** **$**
Current		
Insurance premium funding	-	62,709
Finance lease liabilities	35,638	37,451
Loans from related parties	2,202,323	293,083
Convertible notes	26,657	661,558
	2,264,618	1,054,801
Non-current		
Finance lease liabilities	33,831	20,876
	2,298,449	1,075,677

The Company's debts have increased by 114% over the last year primarily as a result of financial support from related parties via the provision of loans.

Likely Developments and Expected Results

The directors are confident that the 2015 financial year will see an increase in sales of superchargers and after-market supercharger systems, supplied from the Malaysian production facility which was commissioned in 2013. The marketing campaign in North America is underway and is beginning to show positive results.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	2014 $	2013 $
Sales of goods and services		969,288	1,550,639
Revenue		**969,288**	**1,550,639**
Cost of goods sold		(896,097)	(1,433,550)
Gross profit		**73,191**	**117,089**
Other income		22,219	-
Export Market Development Grant	3.1	71,589	-
Research and development incentive grant		78,788	1,616,876
Distribution & marketing expenses		(242,608)	(366,216)
Research & development expenses		(1,593,860)	(2,317,050)
Joint venture impairment expense		-	(1,136,006)
Inventory impairment expense		(618,925)	(655,951)
Administration expenses		(1,979,533)	(1,280,277)
Other expenses	3.2	(5,854)	(200,989)
Operating loss		**(4,194,993)**	**(4,222,524)**
Finance income	3.3	5,500	10,345
Finance costs	3.4	(81,218)	(32,211)
Share of loss of joint venture		(535,573)	(532,190)
Loss before income tax expense		**(4,806,284)**	**(4,776,580)**
Income tax benefit		-	-
Net loss for the year		**(4,806,284)**	**(4,776,580)**
Other comprehensive income, net of tax			
- Items that will not be reclassified to profit or loss		**-**	**-**
- Items that will be reclassified subsequently to profit or loss		**-**	**-**
Total comprehensive income for the year		**(4,806,284)**	**(4,776,580)**
Loss per share attributable to the ordinary equity holders of the Company			
Basic loss per share	4	$0.0052	$0.0061
Diluted loss per share	4	$0.0052	$0.0061

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2014

	NOTES	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10(c)	167,232	52,970
Pledged bank deposits	5	137.695	112,000
Trade and other receivables	6	189,514	1,644,011
Inventories		1,178,454	744,961
TOTAL CURRENT ASSETS		**1,672,895**	**2,583,942**
NON-CURRENT ASSETS			
Property, plant and equipment		1,348,832	1,610,238
Goodwill and intellectual property		11,098	24,892
TOTAL NON-CURRENT ASSETS		**1,359,930**	**1,635,130**
TOTAL ASSETS		**3,032,825**	**4,219,072**
CURRENT LIABILITIES			
Trade and other payables		402,395	423,513
Interest bearing liabilities	8	2,264,618	1,054,801
Provisions		195,378	213,501
TOTAL CURRENT LIABILITIES		**2,862,391**	**1,619,815**
NON-CURRENT LIABILITIES			
Interest bearing liabilities	8	**33,831**	**20,876**
TOTAL LIABILITIES		**2,896,222**	**1,712,691**
NET ASSETS		**136,603**	**2,506,381**
EQUITY			
Contributed equity	9	42,668,526	40,220,341
Reserves		76,648	71,215
Accumulated losses		(42,608,571)	(37,785,175)
TOTAL EQUITY		**136,603**	**2,506,381**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

		Reserves			
CONSOLIDATED ENTITY	**Contributed equity**	**Option premium reserve**	**Share option reserve**	**Accumulated losses**	**Total**
	Note 9				
	$	$	$	$	$
Balance at 30 June 2012	**38,244,943**	**-**	**95,980**	**(33,008,595)**	**5,332,328**
Loss for the year	-	-	-	(4,776,580)	(4,776,580)
Other comprehensive income	-	-	-	-	-
Total Comprehensive income for the year	**-**	**-**	**-**	**(4,776,580)**	**(4,776,580)**
Transactions with owners in their capacity as owners					
Issue of shares	3,177,328	-	-	-	3,177,328
Funds received in advance of share issue	(1,196,090)	-	-	-	(1,196,090)
Share issue expenses	(51,937)	-	-	-	(51,937)
Share based payment	-	-	21,332	-	21,332
Achievement of performance hurdle	46,097		(46,097)		-
Balance at 30 June 2013	**40,220,341**	**-**	**71,215**	**(37,785,175)**	**2,506,381**
Loss for the year	-	-	-	(4,806,284)	(4,806,284)
Other comprehensive income	-	-	-	-	-
Total Comprehensive income for the year				**(4,806,284)**	**(4,806,284)**
Transactions with owners in their capacity as owners					
Issue of shares	2,296,220	167,790			2,464,010
Other	38,550	-	1,833	(17,112)	23,271
Options exercised	114,163	(114,163)			
Expiry of options		(53,627)			(53,627)
Share issue expenses	(748)				(748)
Share based payment			3,600		3,600
Balance at 30 June 2014	**42,668,526**	**-**	**76,648**	**(42,608,571)**	**136,603**

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		949,874	1,478,646
Payments to suppliers and employees		(4,698,307)	(5,437,017)
Interest and finance lease charges paid		(50,238)	(27,739)
Interest received		4,849	10,345
Research & Development incentive grant received		1,403,536	964,215
Net cash flows used in operating activities	10(a)	(2,390,286)	(3,011,550)
CASH FLOWS FROM INVESTING ACTIVITIES			
Contribution to joint venture entity		(750,090)	(442,317)
Payment of secured deposit		(50,000)	-
Proceeds from sale of property, plant and equipment		151,057	15,023
Payments for property, plant and equipment		(64,457)	(217,822)
Net cash flows (used in) generated from investing activities		(713,490)	(645,116)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,274,572	1,404,586
Repayment of borrowings		(883,148)	(563,777)
Proceeds from share capital raised		1,827,362	1,981,238
Capital raising costs		(748)	(51,937)
Net cash flows generated from financing activities		3,218,038	2,770,110
Net (decrease) / increase in cash and cash equivalents held		114,262	(886,556)
Cash and cash equivalents at the beginning of the financial year		52,970	939,526
Cash and cash equivalents at the end of the financial year	10(c)	167,232	52,970

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

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 2013 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 annual report.

(a) Going concern

The Company has net assets of $136,603 (2013: $2,506,381) and net current liabilities of $1,188,496 (2013: net current assets - $964,127) as at 30 June 2014 and incurred a loss of $4,806,284 (2013: $4,776,580) and net operating cash outflow of $2,390,286 (2013: $3,011,550) for the year ended 30 June 2014.

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 2014

		2014 $	2013 $
3.	**Revenue and expenses**		
3.1	**Other income**		
	Export market development grant	71,589	-
3.2	**Other expenses**		
	Share based payments	3,600	21,332
	Loss on disposal of property, plant and equipment, net	-	141,505
	Net foreign exchange loss	2,254	25,209
	Provision for receivables impairment	-	12,943
	Total other expenses	5,854	200,989
3.3	**Other revenue**		
	Interest income	5,500	10,345
3.4	**Finance costs**		
	Interest and finance charges paid	81,218	32,211
	Total finance costs	81,218	32,211
3.5	**Employee payments including benefits expense**		
	Salaries and wages	1,733,160	935,067
	Superannuation expense	70,062	97,414
	Annual leave and long service leave	32,516	2,964
	Other employment expense	32,078	52,093
		1,867,816	1,087,538
3.6	**Depreciation and amortisation expenses**		
	Depreciation of property, plant and equipment	269,247	313,959
	Amortisation for leasehold improvements	14,578	24,052
	Amortisation for trademarks and patents	2,696	14,220
	Total depreciation and amortisation	286,521	352,231

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 $4,806,284 (2013: $4,776,580) and the weighted average of 916,587,270 (2013: 788,894,789) 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 did not have any share options outstanding (note 18(b)), and the outstanding performance rights are anti-dilutive at 30 June 2014.

5. Pledged bank deposits

	2014 $	2013 $
Deposit – fixed term	82,000	82,000
Deposit – at call	55,695	30,000
	137,695	112,000

Pledged bank deposits at 30 June 2014 represented an interest bearing fixed deposit for a term of 6 months maturing on 27 September 2014 and is pledged against a guarantee in the amount of $82,000 issued by a bank on behalf of the Company and an "at call" deposit of $30,000 supporting credit card facilities and a convertible note. Pledged bank deposits at 30 June 2013 represented fixed deposits maturing on 27 September 2013 and bear interest at 3.3% per annum. The deposits were pledged against an operating lease facility granted to the Company.

6. Trade and other receivables

	2014 $	2013 $
Trade receivables	22,627	140,264
Other receivables	5,786	1,252,957
Trade deposits	153,714	173,005
Prepayments	7,387	77,785
	189,514	1,644,011

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

Interests in a joint venture are accounted for using the equity method of accounting. Information relating to the joint venture is set out below:

(a) Investment details

			2014 $	2013 $
Unlisted				
Proreka Sprintex Sdn. Bhd.	Investment	50% Interest	1,819,905	1,031,053
			1,819,905	1,031,053

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 have been assessed for impairment after considering the reasonableness of the carrying value of its assets and applying a discount rate of 10% to expected future cash flows. The balances have been fully impaired.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

8. Interest bearing borrowings

	2014 $	2013 $
Current		
Insurance premium funding (unsecured)	-	62,709
Finance lease liabilities	35,638	37,451
Loans from related parties	2,202,323	293,083
Convertible notes	26,657	661,558
	2,264,618	1,054,801
Non-current		
Finance lease liabilities	33,831	20,876

(a) Insurance premium funding was not finalised before year end but will be due for repayment over 10 equal instalments. The effective interest rate of the loan in the previous year was 5.10% per annum.

(b) Loans from related parties

Loans from related parties represented short term loans from entities related to two directors and bear interest of 9% and are repayable on demand.

(d) The convertible notes including interest were repaid in full subsequent to year end.

9. Contributed equity

	2014 $	2013 $
Paid up capital – ordinary shares	43,754,389	41,299,059
Capital raising costs capitalised	(1,085,863)	(1,078,718)
	42,668,526	40,220,341

(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	**Number of shares**	**$**
Balance at 1 July 2013	845,814,268	40,220,341
Funds received in advance of issue of shares	-	37,800
Transfer from option reserve upon exercise of options	-	114,165
Exercise of options	114,162,776	2,296,220
	114,162,776	2,448,185
Balance as at 30 June 2014	959,977,044	42,668,526

(b) Share Options

Movements in Share Options	Listed, $0.02 Exercise, 30 June 2014 Expiry
Balance at 1 July 2013	-
Entitlement Issue (note i)	167,789,589
Exercise of options	(114,162,776)
Expiry of options	(53,626,813)
Balance as at 30 June 2014	-

(i) *Entitlement Issue Shares at A$0.001 per share*
On 1 July 2013, the Company announced a non-renounceable entitlements issue to eligible shareholders on 1 July 2013 of one option, with an expiry date of 30 June 2014 and an exercise price of $0.02, at an issue price of $0.001 for every four ordinary shares held and 167,789,589 options were issued ("Entitlement Issue").

On 30 June 2014, 53,626,813 options had not been exercised and therefore expired.

10. Cash flow statement reconciliation

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

	2014 $	2013 $
Operating loss after income tax	(4,806,284)	(4,776,580)
Add non-cash items:		
Share based payments	3,600	21,332
Net loss (gain) on the sale of assets	-	141,505
Depreciation and amortisation	286,521	352,067
Goodwill written off	-	-
Joint venture impairment	209,788	1,136,006
Impairment of inventory	618,925	655,951
Exchange differences	2,254	26,635
Accrued interest expense	13,314	4,472
Share of loss of joint venture	535,573	532,190
Changes in assets and liabilities		
Decrease / (increase) in trade and other receivables	1,454,497	(750,955)
Decrease / (increase) in inventories	(433,493)	(361,175)
Increase / (decrease) in trade and other payables	128,882	(62,719)
Increase / (decrease) in other current liabilities	(403,863)	-
Increase in provision for warranty	-	67,908
Increase / (decrease) in provision for employee entitlements	-	1,813
Net cash flows used in operating activities	(2,390,286)	(3,011,550)

(b) Non-cash financing and investing activities

The Company acquired $nil (2013: $nil) of equipment under finance leases. This acquisition will be reflected in the statement of cash flow over the terms of the finance leases via lease repayments.

	2014 $	2013 $
(c) Reconciliation of cash and cash equivalents to cash flow statement of cash flow		
For the purpose of the statement of cash flow, cash and cash equivalents comprise the following at 30 June:		
Cash at banks and on hand	167,232	52,970
	167,232	52,970

11. Events subsequent to reporting period

In the interval between the end of the period and the date of this report, the Company:

(a) Announced on 28 August 2014, that it had despatched the documents in relation to its Share Purchase Plan (**SPP**), enabling eligible shareholders to purchase up to $15,000 of shares at $0.003. The SPP Offer is open until 14 October 2014; and
(b) In conjunction with the SPP, the Company is undertaking a capital raising exercise and is in the process of convening a meeting of the Shareholders to approve various transactions for the conversion of existing short term debt and placements of shares to certain Shareholders, Directors and senior management of the Company.