SPRINTEX LIMITED
ACN 106 337 599

PROSPECTUS

For an offer of 75,581,396 Shares at an issue price of $0.086 per Share to raise $6,500,000 (**Public Offer**).

This Prospectus also contains:

(a) an offer of up to 100 Shares at an issue price of $0.086 per Share to raise up to $8.60 (**Cleansing Offer**); and

(b) an offer of 5,000,000 Options, exercisable at $0.086 each on or before the date that is 3 years from the date of issue of the Options, to the Proposed Non-Executive Chairman, Mr Wayne Knight (or his nominee) (**Options Offer**).

The Public Offer is conditional upon satisfaction of the Conditions, which are detailed in Section 4.5. No Securities will be issued pursuant to this Prospectus until those Conditions are met.

Lead Manager to the Public Offer: Indian Ocean Corporate Pty Ltd (ACN 142 266 279, a corporate authorised representative of Indian Ocean Management Group Pty Ltd (AFSL 336409))

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have been questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 19 October 2020 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered as highly speculative.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia, the People's Republic of China or Hong Kong, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia, the People's Republic of China or Hong Kong should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia, the People's Republic of China or Hong Kong. This Prospectus has been prepared for publication in Australia the People's Republic of China and Hong Kong and may not be released or distributed in the United States of America.

Information for Chinese residents

This document has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) (**PRC**).

Accordingly, the Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for such securities be made from, within the PRC. This document does not constitute an offer of Shares within the PRC. The Shares may not be offered or sold to legal or natural persons in the PRC other than to:

(a) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets;
(b) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or
(c) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

If you are in the PRC, you represent and warrant that you are a:

(a) "qualified domestic institutional investor" as approved by the relevant PRC regulatory authorities to invest in overseas capital markets;
(b) sovereign wealth fund or quasi-government investment fund that has the authorisation to make overseas investment; or
(c) qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

Information for Hong Kong residents

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Shares and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.sprintex.com.au.

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the

Company, you must be a resident of Australia, the People's Republic of China or Hong Kong, resident and must only access this Prospectus from within Australia, the People's Republic of China or Hong Kong.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 8 9262 7222 during office hours or by emailing the Company at robert.molkenthin@sprintex.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section E of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Public Offer please call the Company Secretary on + 61 8 9262 7222.

CORPORATE DIRECTORY

Directors[1]

Mr Richard Siemens
Non-Executive Chairman

Mr David White
Non-Executive Deputy Chairman

Mr Michael Wilson
Non-Executive Director

Mr Richard O'Brien
Non-Executive Director

Mr Raymond Lau
Non-Executive Director

Proposed Directors[2]

Mr Wayne Knight
Proposed Non-Executive Chairman

Mr Jude (Jay) Upton
Proposed Managing Director

Mr Li Chen
Proposed Non-Executive Director

Mr Steven Apedaile
Proposed Non-Executive Director

Company Secretary and Chief Financial Officer

Mr Robert Molkenthin

ASX Code

SIX

Share Registry[3]

Advanced Share Registry
110 Stirling Highway
NEDLANDS WA 6009

Telephone: +61 8 9389 8033

Registered Office

Unit 2/63 Furniss Road
Darch WA 6065

Telephone: + 61 8 9262 7222
Email: robert.molkenthin@sprintex.com.au

Australian website: www.sprintex.com.au
US website: www.sprintexusa.com

Lead Manager

Indian Ocean Corporate Pty Ltd
Level 5, 56 Pitt Street
SYDNEY NSW 2000

Solicitors to the Offers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Intellectual Property Solicitors

Griffith Hack
Level 22, 77 St Georges Terrace
Perth WA 6000

Investigating Accountant

Stantons International Securities Pty Ltd
Level 1, 1 Walker Avenue
WEST PERTH WA 6005

Auditor[3]

PKF Perth
Level 5, 35 Havelock Street
WEST PERTH WA 6005

Malaysian Auditor[3]

PKF Malaysia
Level 33, Menara 1MK
Kompleks 1 Mont' Kiara, No.1, Jalan Kiara
Mont' Kiara 50480
KUALA LUMPUR MALAYSIA

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[1] The resignation of the Directors will take effect upon reinstatement of the Company's securities to trading on the Official List.

[2] The appointment of the Proposed Directors will take effect upon reinstatement of the Company's securities to trading on the Official List.

[3] This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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1. PROPOSED CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors and Proposed Directors of Sprintex Limited (**Sprintex** or the **Company**), it gives me great pleasure to invite you to become a Shareholder of the Company.

Sprintex is an automotive engineering, research, product development and manufacturing company, incorporated in Australia in 2003 and admitted to the Official List in 2008. Sprintex designs and manufactures superchargers for use in a wide variety of combustion engines and is currently focused on the development and commercialisation of the Sprintex® twin screw supercharger, and supercharger systems incorporating the Sprintex® twin screw supercharger, in the automotive aftermarket and original equipment manufacturer (**OEM**) market in Australia, Asia, Africa, the Middle East and the United States of America.

On 28 September 2018, the Company's securities were suspended from trading on the Official List of the ASX. In February 2020, the Company entered into a proposal for the recapitalisation of the Company (**Recapitalisation**). As part of the Recapitalisation, the Company is seeking to:

(a) undertake a capital raising to raise $6,500,000;

(b) convert existing loans from third parties to Shares;

(c) convert part of the existing loans from Shareholders to Shares, repay $600,000 of the Shareholder loans in cash and forgive the balance of the Shareholder loans;

(d) complete the acquisition of the remaining interest in the Malaysian joint venture, Proreka Sprintex Sdn. Bhd. (**Proreka Sprintex**) that the Company does not already own (being, a 50% interest) from AutoV Corporation Sdn. Bhd. (**AutoV**), the Company's joint venture partner (**Acquisition**);

(e) facilitate the reinstatement of the Company's securities to trading on the Official List of the ASX, which requires satisfaction of a number of conditions (the **Reinstatement Conditions**); and

(f) undertake Board changes, such that all of the existing Directors of the Company will resign, and the Proposed Directors will be appointed, effective upon reinstatement of the Company's securities to trading on the Official List of the ASX.

On 28 August 2020, the Company dispatched the Notice of Meeting in respect of, amongst other matters, the Recapitalisation. The General Meeting was held on 28 September 2020 and all Resolutions put to Shareholders were passed.

Assuming completion of the Recapitalisation, Sprintex will become effectively debt free with reduced operating costs. In addition, the Company's product range will be expanded with the proposed introduction of new products such as the Jeep JL supercharger system and Eaton replacement rotating system. This provides a practical base on which to build Shareholder value.

This Prospectus is seeking to raise $6,500,000 via the issue of Shares at an issue price of $0.086 per Share under the Public Offer.

The purpose of the Public Offer is to provide funds to enable the Company to complete the Recapitalisation, facilitate a reinstatement of the Company's securities to trading on the Official List of the ASX) and implement the Company's business strategies (explained in Section 5).

The Proposed Directors, whose appointment will take effect on completion of the Recapitalisation and reinstatement of the Company's securities to trading on the Official List, have significant expertise and experience in the automotive and finance industries and will aim to ensure that funds raised through the Public Offer will be utilised in a cost-effective manner to advance the Company's Business.

This Prospectus is issued for the purpose of satisfying certain Reinstatement Conditions, raising funds to enable the Company to complete the Recapitalisation and supporting an application for the reinstatement of the Company's securities to trading on the ASX. This Prospectus contains detailed information about the Company, its Business and the Public Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. In particular, I refer you to the risk factors at Section E of the Investment Overview Section and Section 7. The Securities offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely

Mr Wayne Knight
Proposed Chairman

2. KEY OFFER AND REINSTATEMENT INFORMATION

INDICATIVE TIMETABLE[1]

Lodgement of Prospectus with the ASIC	19 October 2020
Opening Date of Offers	19 October 2020
Closing Date of the Public Offer and Options Offer	19 November 2020
Issue of Shares under the Public Offer	20 November 2020
Issue of Shares under the Recapitalisation (excluding the Public Offer) and Options under the Options Offer	20 November 2020
Closing Date of the Cleansing Offer	20 November 2020
Satisfaction of Reinstatement Conditions	23 November 2020
Expected date for readmission to Official List	23 November 2020

1. *The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to applicants.*
2. *If the Public Offer is cancelled or withdrawn before completion of the Public Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Public Offer open.*

KEY STATISTICS OF THE OFFERS

	Full Subscription ($6,500,000)
Public Offer Price per Share	$0.086
Shares currently on issue	100,000,000
Shares to be issued under the Recapitalisation (excluding the Public Offer)[1]	39,912,777
Shares to be issued under the Public Offer	75,581,396
Shares to be issued under the Cleansing Offer	100
Gross Proceeds of the Public Offer	$6,500,000
Shares on issue Post Re-Listing (undiluted)	**215,494,273**
Market Capitalisation Post Re-Listing (undiluted)[2]	**$18,532,508**
Options to be issued to Proposed Non-Executive Chairman under the Options Offer[3]	5,000,000
Shares on issue Post Re-Listing (fully diluted)	**220,494,273**
Market Capitalisation Post Re-Listing (fully diluted)[2]	**$18,962,508**

Notes:

1. Assuming 4,049,709 Shares are issued under the Acquisition based on a USD/AUD foreign exchange rate of 1.3931 as at 24 August 2020 (being, the rate referred to in the Notice which is not materially different to the USD/AUD exchange rate on the day prior to the date of this Prospectus). Refer to Section 9.2.1 for further detail regarding the Acquisition.
2. Assuming a Share price of $0.086 (being, the Public Offer price), however the Company notes that the Shares may trade above or below this price.

3. Refer to Section 10.3 for the terms of the Options proposed to be issued to Mr Wayne Knight, upon his appointment as Non-Executive Chairman.

REINSTATEMENT CONDITIONS

The Company must satisfy the outstanding Reinstatement Conditions prior to reinstatement of the Company's Securities to trading on the Official List, which include amongst other things, demonstrating compliance with Listing Rules 12.1 to 12.4 inclusive, to the satisfaction of the ASX.

Further details of the Reinstatement Conditions are set out in Schedule 1 of this Prospectus.

ASX required satisfaction the Reinstatement Conditions by 28 September 2020 failing which the Company would be de-listed. ASX has not de-listed the Company as at the date of lodgement of the Prospectus, however, has not extended the date for satisfaction of the Reinstatement Conditions. The Company has sought an extension of this date to enable the Company to complete this Offer and satisfy all of the Recapitalisation Conditions and is awaiting a response from ASX. If ASX either does not extend the date for satisfaction of the Recapitalisation Conditions or provides an extended date which does not enable the satisfaction of the Recapitalisation Conditions, the Company will immediately withdraw the Offers.

GENERAL MEETING OF SHAREHOLDERS

On 28 August 2020, the Company dispatched its Notice of Meeting to Shareholders in respect of, among other things, the Recapitalisation and certain Reinstatement Conditions. The Resolutions considered at the Meeting held on 28 September 2020, and passed by Shareholders, were as follows:

(a) **Resolution 1**: The issue of that number of Shares which, when multiplied by the deemed issue price of AU$0.086 equals US$250,000, in satisfaction of the consideration of US$250,000 payable to AutoV for the acquisition of a 50% interest in Proreka Sprintex (an entity in which the Company has a 50% interest, the remaining interest is held by AutoV the Company's joint venture partner).

(b) **Resolution 2:** The issue of 7,034,883 Shares to Lidx Technology Limited (an entity controlled by Proposed Director, Mr Li Chen) (or its nominee) at a deemed issue price per Share of AU$0.086 in lieu of repayment of the Lidx Loan and Financing Charge.

(c) **Resolution 3**: The issue of 18,681,395 Shares to Ganado Investments Corporation Ltd (or its nominee) (an unrelated party of the Company) at a deemed issue price per Share of AU$0.086, in lieu of conversion of the amount outstanding under the GICL Loan into Shares.

(d) **Resolution 4:** The issue of 10,146,790 Shares to Wilson's Pipe Fabrication Pty Ltd (an entity controlled by Director, Mr Michael Wilson) (or its nominee) at a deemed issue price of AU$0.086, in lieu of conversion of part of the amount outstanding under the WPF Loan into Shares.

(e) **Resolution 5:** The issue of Shares at an issue price of $0.086 per Share to raise up to $6,000,000 under the Public Offer. The Company will utilise its placement capacity for the balance of the Shares to be issued under the Public Offer.

(f) **Resolutions 6-9**: The appointment of the Proposed Directors.

In addition, the Company obtained Shareholder approval to adopt a replacement constitution (refer to Resolution 10 of the Notice) and to issue 5,000,000 Options to the Proposed Non-Executive Chairman, Mr Wayne Knight upon his appointment as Chairman (refer to Resolution 11 of the Notice).

3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Sprintex Limited (ACN 106 337 599) (**Company** or **Sprintex**).	Section 5.1
Who is the Company?	Sprintex is an automotive engineering, research, product development and manufacturing company, incorporated in Australia in 2003 and admitted to the Official List in 2008. Sprintex designs and manufactures superchargers for use in a wide variety of combustion engines. Sprintex is currently focused on the development and commercialisation of the Sprintex® twin screw supercharger and supercharger systems incorporating the Sprintex® twin screw supercharger, in the automotive aftermarket and OEM market in Australia, Asia, Africa, the Middle East, Europe and the United States of America.	Section 5.1
Who are the Company's subsidiaries?	Sprintex has the following subsidiaries: (a) Proreka Sprintex Sdn. Bhd. (an entity incorporated in Malaysia) (**Proreka Sprintex**) (50% owned); (b) Sprintex USA Inc. (an entity incorporated in Delaware) (100% owned); (c) Sprintex Australasia Pty Ltd (ACN 068 746 305) (100% owned); and (d) AAC Property Investments Pty Ltd (ACN 116 174 979) (100% owned), (together, the **Company Group** or **Group**).	Section 5.2
Why is the Company suspended from trading on the Official List of the ASX?	Sprintex was suspended from trading on the Official List on 28 September 2018 pending an announcement in respect of a proposal for the recapitalisation of the Company (which proposal was subsequently announced in April 2019). The Company has remained in suspension since that date.	Section 5.1
How will the Company's securities be reinstated to trading?	The Company must satisfy the Reinstatement Conditions for reinstatement of the Company's securities to trading on the Official List to occur, which include amongst other things, raising a minimum of $5,000,000 and demonstrating compliance with Listing Rules 12.1 to 12.4 inclusive (to the satisfaction of the ASX).	Section 2 and Schedule 1

Item	Summary	Further information
	The Company obtained Shareholder approval at the General Meeting held on 28 September 2020 for a number of matters related to the Recapitalisation (including issues of Shares in lieu of conversion of debt, issue of Shares in consideration for the Acquisition of the 50% interest in Proreka Sprintex held by AutoV and the appointment of the Proposed Directors). The Company has also entered into binding agreements in respect of the Recapitalisation (refer to Section 9.2). Further details of the Reinstatement Conditions are set out in the Key Offer and Reinstatement Information Section (Section 2) and Schedule 1 of this Prospectus.	
B. Industry Overview		
What is the industry in which the Company operates?	The Company operates in the automotive industry, specifically, in two key markets: (a) the automotive aftermarket, where it is focused on the design, manufacture and sale of retrofit complete supercharger systems for on and off-road vehicles, primarily offering performance increases for lifestyle vehicles such as the Jeep range manufactured by Fiat Chrysler Automobiles (**FCA**); and (b) the manufacture of superchargers and compressors for OEMs for on and off-road vehicles, marine, aviation and other specialty engines and for industrial applications. Both the aftermarket and OEM market present opportunities for the Company's supercharger technology to meet emission standards while providing a desired level of engine performance.	Sections 5.1 and 5.5
Who are the Company's key competitors?	The Company's main competitors for the aftermarket, are Edelbrock LLC, a California based manufacturer, Magnuson Superchargers LLC, also a California based manufacturer and Ripp Superchargers, based in New York. Each of these competitors use supercharger units manufactured by third parties, whereas Sprintex manufactures its own superchargers in the low cost Proreka Sprintex facility located in Malaysia, offering the Company a cost advantage over its main competitors. There are few competitors to Sprintex in the OEM twin screw supercharger and compressor market. Eaton Corporation (**Eaton**) is the main competitor and is focused on large scale OEM projects, historically declining smaller programs. IHI America is a	Section 5.5

Item	Summary	Further information
	significant competitor in the OEM market, particularly in USA.	
C. Business Model		
What is the Company's business model?	Sprintex designs and manufactures superchargers for use in a wide variety of combustion engines and is currently focused on the Sprintex® twin screw supercharger, and supercharger systems incorporating the Sprintex® twin screw supercharger in the automotive aftermarket and OEM market. The Sprintex products are designed, prototyped and tested in Perth, Western Australia and are manufactured in the Company's manufacturing facility located in Malaysia. Following manufacture in Malaysia, the products are sent to the Company's facility in the United States for final assembly and distribution in the North American and Canadian markets, if not already distributed to global markets direct from the Malaysian facility. Sprintex sells its products to both distributors and dealers primarily on a purchase order basis. Typically, distributors would be larger organisations that enjoy a larger discount, based on minimum purchase volume per order or minimum volume per year. Dealers have no minimum purchase quantity but smaller discount to retail price. Following completion of the Offer, the Company's proposed business model will be to continue its established business of designing, manufacturing and distribution of twin screw superchargers and supercharger systems and to expand its product range to include retrofit rotating groups for existing OEM supercharged vehicles and to develop third party manufacturing opportunities in the Malaysia facility. The Company proposes to fund its activities over the first two years following relisting as outlined in the table at Section 5.11. A detailed explanation of the Company's business model is provided at Section 5.	Section 5
What are the Company's key business objectives?	The Company's main objectives on completion of the Public Offer and reinstatement to trading are: (a) to leverage its 100% ownership of Proreka Sprintex, to reduce its average manufacturing costs and to win additional manufacturing programs for vehicle OEMs and supercharger system manufacturers; (b) advance new products such as the Jeep JL supercharger system and the Eaton replacement system;	Section 5.9

Item	Summary	Further information
	(c) undertake advertising and marketing activities for existing products and new products developed by the Company; and (d) provide working capital for the Company.	
What are the significant dependencies of the Company post re-listing?	The key factors that the Company will depend on to meet its objectives following reinstatement of the Company's securities to trading on the Official List are: (a) continued research, development and expansion of the Company's supercharger and supercharger system product suite for the automotive aftermarket and OEM sectors; (b) continued ability to manufacture a high volume of products from the Proreka Sprintex facility in Malaysia (which upon completion of the Recapitalisation, will be wholly owned by the Company); (c) the strengthening of existing business relationships, and identification of new business relationships, with OEMs to secure future sales orders; (d) continued protection of the Company's IP, in particular, the Company's patented supercharger system and compressor; and (e) the Company maintaining its competitive advantage in the area of fuel efficiency and emissions control, while delivering superior power performance products.	Section 5.10
What is the Company's growth strategy?	In the past six years, Sprintex has typically operated with limited cash reserves, affecting the Company's ability to develop products in a timely manner and win OEM manufacturing opportunities. Over the past two years, Sprintex has reduced its overhead costs in Australia, downsizing the Perth based facilities to reflect the transition of manufacturing to the Malaysia facility since its commissioning in 2013. Completion of the Recapitalisation will allow Sprintex to progress its business strategy to fund development of new products and undertake advertising and marketing activities as required to be successful in the market in which the Company operates.	Section 5.9
D. Key Advantages		
What are the key advantages of an investment in the Company?	The Directors and Proposed Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages: (a) subject to raising the Full Subscription, the Company will have sufficient funds to	Section 5

Item	Summary	Further information
	implement commercialisation of its new JL Supercharger system; (b) subject to raising the Full Subscription, the Company will also have sufficient funds to enable the Company to complete product development and commercialisation of its Eaton replacement rotor group; and (c) the Proposed Directors are a highly credible and experienced team and are able to progress research and development, and accelerate production of the existing and proposed Sprintex products and through their network of automotive industry contacts, the Proposed Directors will be well positioned to identify and win sufficient additional manufacturing programs to ensure the future success of the Company.	
E. Key Risks		
Reinstatement Risk	The Company is required to satisfy the Reinstatement Conditions for reinstatement of the Company's Shares to Official Quotation on the ASX. There is a risk that the Company may not be able to meet the Reinstatement Conditions within the time period required by ASX and should this occur, the Company would be removed from trading on the Official List and the Company's Securities will be delisted. In this instance, the Company would immediately withdraw the Offers.	Section 7.2
Going concern risk	While completing the audit review of the Company's financial report for the year ended 30 June 2020, the Company's auditor noted the following: "The consolidated entity incurred a loss of $2,834,549 (2019: $2,938,035) and had operating cash outflows of $1,014,576 (2019: $1,367,504) for the year ended 30 June 2020. The consolidated entity is dependent upon the successful completion of the Recapitalisation and restructuring transaction which is detailed within the subsequent events at note 26 in the financial report. These conditions, along with other matters as set forth in note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business." Notwithstanding, the Directors and Proposed Directors believe that upon the successful completion of the Public Offer and Recapitalisation, the Company will have sufficient funds to adequately meet the Company's current	Section 7.2

Item	Summary	Further information
	commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.	
Qualified opinion risk	The Company's auditor included a qualification in its audit opinion for the year ended 30 June 2020. The qualification relates to the inability of the auditor to obtain sufficient and appropriate audit evidence in relation to the Company's share of the loss in its joint venture entity (Proreka Sprintex) during the audit of the financial report for the year ended 30 June 2019. For that reason, it is obliged under the accounting standards to qualify its audit opinion in its report for the year ended 30 June 2020 in relation to opening balances. However, the Company notes that because the opening balances of the joint venture entity in the 30 June 2020 accounts are "nil" (by virtue of such amounts having being written-off in the 2019 financial year), the Directors and Proposed Directors consider that the financial impact of the qualification is also nil (refer to note 12 of the Company's audited accounts for the financial year ended 30 June 2020 for further detail).	Section 7.2
Research and development risks	The Company can make no representation that any of its research into or development of new technologies or products will be successful, that any development milestones will be achieved, or that the products will be developed into products that are commercially exploitable. There are many risks inherent in the development of products in the automotive sector. Whilst the Company will continue product development and research, and the use of substitute materials and processes used in the manufacture of its products, there is a risk that the development of new products will require costs beyond those budgeted and even if developed, there is no guarantee that the products can be successfully commercialised or exploited.	Section 7.2
Manufacturing risk	The Company regularly applies its technologies to products and applications that require the technology to be manufactured to a standard and at a cost acceptable to the industry, regulators and partners. There can be no guarantees that suitable manufacturers, manufacturing processes, techniques and materials can be found to a standard, a cost or quality acceptable to the industry, market or partners.	Section 7.2

Item	Summary	Further information
Premises risk	Whilst the Company owns the equipment and machinery comprising the manufacturing facility, the Company's lease of the building where the equipment and machinery terminates on 31 December 2020 (although there is an option to extend the tenacy for a further period of 2 years). If the lease arrangement was terminated by the lessor or the option to renew the tenancy refused by the lessor (by virtue of the Company being in breach of its obligations under the lease arrangement for example), the Company would need to relocate its equipment and machinery and locate a suitable alternative premises for its operations. There is no guarantee that the Company would be able to locate a sutiable premises in a short period of time, or at all. Any delay would have an adverse effect on the Company's ability to produce its supercharger units and meet purchase orders/ sales demand for its products. Further, this would likely result in delays of delivery of products to the Company's distribution and final assembly facility in Michigian in the USA, where the Company's twin screw supercharger units undergo final assembly, and are distributed to Canadian and North American markets. In addition, the Company notes that it currently its research and development base in Perth, Western Australia and its shared distribution and final assembly facility in Michigian in the USA are leased on a month to month basis. Termination of these lease arrangements is also expected to have an adverse effect on the Company's operations and financial position.	Section 7.2
Final assembly risk	Managed Programs LLC (**MPI**) supplies the Company with manifolds on a purchase order basis. The manifolds are an integral part of the supercharger units that the Company produces. Once the twin screw supercharger units arrive at the Company's distribution and final assembly facility in Michigan in the USA, the Company's twin screw supercharger units undergo final assembly with the manifold. If MPI is unable or unwilling to supply the manifolds to the Company and the Company is unable identify a suitable alternative supplier, this may result in production delays and lead to an inability of the Company to maintain supply which may have a negative impact on the Company's future operations, cash flows and viability. The Company is in the process of settling an outstanding amount owing to MPI (refer to Section 5.11 for further detail). Following which, the Company believes the risk of MPI being unwilling to supply the manifolds to the Company is low.	Section 7.2 and 5.11

Item	Summary	Further information
Distribution arrangements risk	The nature of the Company's business is such that the Company generally relies upon relationships with third parties such as dealers and distributors to sell its products on a purchase order basis. Further, sales are often made on a one-off or limited quantity basis. Accordingly, such sales are not typically made on a long-term basis or pursuant to formal distribution agreements. Following completion of the Offers, the Company will seek to secure ongoing distribution agreements with third parties in particular, in the OEM market, to allow the Company to have more certainty regarding the sale of its products (in particular, in respect of the quantity and frequency of sales).	Section 7.2
Other risks	For additional specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections , 7.3 and 7.4.	Sections 7.2, 7.3 and 7.4
F. Directors and Key Management Personnel		
Who are the Directors and Proposed Directors and key management personnel involved in the Company?	The Board currently consists of: (a) Mr Richard Siemens – *Non-Executive Chairman*; (b) Mr David White – *Non-Executive Deputy Chairman*; (c) Mr Michael Wilson – *Non-Executive Director*; (d) Mr Richard O'Brien – *Non-Executive Director*; and (e) Mr Raymond Lau – *Non-Executive Director*. Upon reinstatement of the Company's Shares to trading on the Official List of the ASX, the resignation of the existing Board and the appointment of the following Proposed Directors will become effective: (a) Mr Wayne Knight – *Proposed Non-Executive Chairman*; (b) Mr Jude (Jay) Upton – *Proposed Managing Director*; (c) Mr Li Chen – *Proposed Non-Executive Director*; and (d) Mr Steven Apedaile – *Proposed Non-Executive Director*. The profiles of each of the Proposed Directors are set out in Section 8.2.	Section 8.2

What are the significant interests of the Directors and Proposed Directors in the Company?

As at the date of this Prospectus:

Name	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Director				
Richard Siemens	61,822,000	Nil	61.82%	61.82%
David White	235,169	Nil	0.24%	0.24%
Michael Wilson	15,166,090	Nil	15.17%	15.17%
Richard O'Brien	512,687	Nil	0.51%	0.51%
Raymond Lau	681	Nil	0.00%	0.00%
Proposed Director				
Wayne Knight	Nil	Nil	Nil	Nil
Jude Upton	47,844	Nil	0.05%	0.05%
Li Chen	Nil	Nil	Nil	Nil
Steven Apedaile	2,717,588	Nil	2.72%	2.72%

Post-completion of the Recapitalisation (assuming Full Subscription is raised under the Public Offer, no Shares are issued under the Cleansing Offer and the Options under the Options Offer are issued):

Name	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Director				
Richard Siemens	61,822,000	Nil	28.69%	28.04%
David White	235,169	Nil	0.11%	0.11%
Michael Wilson	25,312,880	Nil	11.75%	11.48%
Richard O'Brien	512,687	Nil	0.24%	0.23%
Raymond Lau	681	Nil	0.00%	0.00%
Proposed Director				
Wayne Knight	Nil	5,000,000	0.00%	2.27%
Jude Upton	47,844	Nil	0.02%	0.02%
Li Chen	7,034,883	Nil	3.26%	3.19%
Steven Apedaile	2,717,588	Nil	1.26%	1.23%

Refer to Section 8.4 for further details.

Section 8.4

<table>
<tr><th>Item</th><th>Summary</th><th>Further information</th></tr>
<tr><td>What are the benefits being paid to the Directors and what benefits will be paid to the Proposed Directors?</td><td>
<table>
<tr><th></th><th>FY Ending 30 June 2021</th><th>FY Ended 30 June 2020</th><th>FY Ended 30 June 2019</th></tr>
<tr><td colspan="4">Director[1,2]</td></tr>
<tr><td>Richard Siemens</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>David White</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Michael Wilson</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Richard O'Brien</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Raymond Lau</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td colspan="4">Proposed Director[3,4]</td></tr>
<tr><td>Wayne Knight</td><td>$52,560[5]</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Jude (Jay) Upton</td><td>$240,000[6]</td><td>Nil</td><td>$144,000[7]</td></tr>
<tr><td>Li Chen</td><td>$40,000[5]</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Steven Apedaile</td><td>$40,000[5]</td><td>Nil</td><td>Nil</td></tr>
</table>
Notes:

Other than as set out in the table, the Directors and Proposed Directors did not receive any remuneration for the financial years ended 30 June 2019 and 30 June 2020.
The resignation of the Directors will take effect upon the reinstatement of the Company's securities to trading on the Official List.
The Proposed Directors will be appointed on reinstatement of the Company's securities to trading on the Official List.
The Proposed Directors' remuneration for FY ending 30 June 2021 will be pro rata of the amounts in the table, from the date that the Proposed Directors appointment becomes effective, being from the date that the Company's securities are reinstated to trading on the Official List.
Figures are inclusive of superannuation.
Consultancy fee paid to Top Fuel Promotions Pty Ltd (an entity controlled by Mr Jude (Jay) Upton)) (plus GST).
Fees paid (plus GST) pro rata to Mr Upton up to 31 December 2018, when Mr Upton's services as a Technical Consultant to the Company ceased.

</td><td>Section 8.4</td></tr>
<tr><td>What related party agreements is the Company Group party to?</td><td>Summaries of the related party agreements the Company Group is party to are set out in Sections 9.2 and 9.4.</td><td>Sections 9.2 and 9.4</td></tr>
</table>

Item	Summary	Further information
G. Financial Information		
How has the Company Group been performing?	The audited historical financial information of the Company Group as at 30 June 2018, 30 June 2019 and 30 June 2020 is set out in Section 6 and Annexure A.	Section 6 and Annexure A
What is the financial outlook for the Company?	Given the current status of the Company's Business, the Directors and Proposed Directors do not consider it appropriate to forecast future earnings. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	Section 6 and Annexure A
H. Offers		
What is being offered under the Public Offer?	The Public Offer is an offer of 75,581,396 Shares at an issue price of $0.086 per Share to raise $6,500,000 (before costs).	Section 4.1
Is there a minimum subscription under the Public Offer?	The minimum amount to be raised under the Public Offer is the Full Subscription, being $6,500,000.	Section 4.2
What are the purposes of the Public Offer?	The purposes of the Public Offer are to raise sufficient funds to enable the Company to complete the Recapitalisation, to satisfy certain Reinstatement Conditions, to facilitate the reinstatement of the Company's Shares to trading on the ASX, to position the Company to seek to achieve the objectives stated at Part C of this Investment Overview Section and to provide the Company with future access to equity capital markets for funding.	Section 4.7
Is the Public Offer underwritten?	No, the Public Offer is not underwritten.	Section 4.5
Who is the lead manager to the Public Offer?	The Company has appointed Indian Ocean Corporate Pty Ltd (ACN 142 266 279) (**Lead Manager**) as lead manager to the Public Offer. The Lead Manager will receive a fee in cash of 6% of the total amount raised under the Public Offer upon completion of the Public Offer. In addition, the Lead Manager will receive a fee in cash of $50,000 in consideration for advisory services provided to the Company. The Lead Manager does not have any interest in Securities of the Company. The Lead Manager is not a related party of the Company or any of the Directors or Proposed Directors.	Section 4.4

Item	Summary	Further information
Who is eligible to participate in the Public Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia, the People's Republic of China or Hong Kong, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.14
How do I apply for Shares under the Public Offer?	Applications for Shares under the Public Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 4.10
What is the allocation policy under the Public Offer?	The Company retains an absolute discretion to allocate Shares under the Public Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. The allocation of Shares by the Directors (in conjunction with the Lead Manager) will be influenced by the following factors: (a) the number of Shares applied for; (b) the overall level of demand for the Public Offer; (c) the desire for a spread of investors, including institutional investors; and (d) the desire for an informed and active market for trading Shares following completion of the Public Offer.	Section 4.11
What is the Cleansing Offer?	The Cleansing Offer is an offer of up to 100 Shares at an issue price of $0.086 per Share to raise up to $8.60. The Cleansing Offer is primarily included for the purpose of section 708(8) and (11) of the Corporations Act to remove trading restrictions on the sale of Shares issued by the Company prior to the Closing Date of the Cleansing Offer.	Section 4.8
Who is eligible to participate in the Cleansing Offer?	The Cleansing Offer will only be extended to specific parties on invitation from the Directors.	Section 4.8
What is the Options Offer?	The Options Offer is an offer of 5,000,000 Options to the Proposed Non-Executive Chairman, Mr Wayne Knight (or his nominee). The Options are to be issued as part of the remuneration package of Mr Knight.	Section 4.9

Item	Summary	Further information
	The Options Offer is primarily included for the purpose of section 708(8) and (11) of the Corporations Act to remove trading restrictions on the sale of Shares issued by the Company upon exercise of the Options.	
Who is eligible to participate in the Options Offer?	The Options Offer will only be extended to the Proposed Non-Executive Chairman, Mr Wayne Knight (or his nominee).	Section 4.9
What will the Company's capital structure look like on completion of the Offers?	The Company's capital structure on a post-Offers basis is set out in Section 5.12.	Section 5.12

<table>
<tr><th>Item</th><th>Summary</th><th>Further information</th></tr>
<tr><td>Who will be the substantial holders of the Company on completion of the Offers?</td><td><table>
<tr><th>Shareholder</th><th>Shares</th><th>Percentage (%) (undiluted) [1]</th><th>Percentage (%) (fully diluted) [1]</th></tr>
<tr><td>Citicorp Nominees Pty Limited[2]</td><td>62,428,185</td><td>28.97%</td><td>28.31%</td></tr>
<tr><td>Michael Wilson[3]</td><td>25,312,880</td><td>11.75%</td><td>11.48%</td></tr>
<tr><td>HSBC Custody Nominees (Australia) Limited[4]</td><td>11,305,992</td><td>5.25%</td><td>5.13%</td></tr>
</table>
Notes:
1. On completion of the Recapitalisation, including issue of Shares under the Public Offer, and issue of Options under the Options Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offers).
2. Comprising, 61,822,000 Shares held on behalf of China Automotive Holdings Limited (an entity controlled by Director, Richard Siemens) and 606,185 Shares held by unrelated parties of the Company.
3. Comprising, 12,174,721 Shares held by Michael John Wilson and Megan Joy Wilson, 2,991,369 Shares held by Michael John Wilson and Megan Joy Wilson <The Wilson Superannuation Fund> (an entity controlled by Michael Wilson) and 10,146,790 Shares held by Wilson's Pipe Fabrication Pty Ltd (an entity controlled by Michael Wilson) in lieu of conversion of part of the WPF Loan (assuming completion of the Recapitalisation). Michael Wilson is a Director.
4. All held by unrelated parties of the Company.</td><td>Section 5.13</td></tr>
<tr><td>What are the terms of the Shares offered under the Public Offer and Cleansing Offer?</td><td>A summary of the material rights and liabilities attaching to the Shares offered under the Public Offer and Cleansing Offer are set out in Section 10.2.</td><td>Section 10.2</td></tr>
<tr><td>What are the terms of the Options offered under the Options Offer?</td><td>A summary of the material rights and liabilities attaching to the Options offered under the Options Offer are set out in Section 10.3.</td><td>Section 10.3</td></tr>
<tr><td>Will any Shares be subject to escrow?</td><td>None of the Shares issued under the Public Offer will be subject to escrow.</td><td>Section 5.14</td></tr>
</table>

Item	Summary	Further information
	The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of re-admission to the Official List) will be approximately 47.81% following completion of the Recapitalisation.	
Will the Securities be quoted?	Application for quotation of all Shares to be issued under the Public Offer and Cleansing Offer will be made to ASX no later than 7 days after the date of this Prospectus. The Company will not apply for quotation of the Options offered under the Options Offer.	Section 4.12
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of $2,000 worth of Shares (23,256 Shares) and thereafter, in multiples of $500 worth of Shares (5,814 Shares).	Section 4.10
Are there any conditions to the Public Offer?	The Public Offer is conditional on the ASX granting approval for the Company to be re-admitted to the Official List (the **Condition**). The Public Offer will only proceed if the Condition is satisfied. Further details are set out in Section 4.6.	Section 4.6
I.	**Use of funds**	
How will the proceeds of the Public Offer be used?	The Public Offer proceeds and the Company's existing cash reserves will be used for: (a) implementing the Company's business objectives as set out in Part C of Investment Overview; (b) repayment of part of the amount outstanding under the WPF Loan and amounts owed to creditors of the Company; (c) expenses of the Recapitalisation (including, the Acquisition and Public Offer); (d) administration costs; and (e) working capital, further details of which are set out in Section 5.11.	Section 5.11

Item	Summary	Further information
Will the Company be adequately funded after completion of the Public Offer?	The Directors and Proposed Directors are satisfied that on completion of the Public Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 5.11
J. **Additional information**		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Public Offer. However, the Company will pay the Lead Manager a capital raising and management fee of an aggregate of 6% of the total amount raised under the Public Offer in cash upon completion of the Public Offer.	Sections 4.15 and 9.1
Can the Public Offer be withdrawn?	The Company reserves the right not to proceed with the Public Offer at any time before the issue or transfer of Shares to successful applicants. If the Public Offer does not proceed, application monies will be refunded (without interest).	Section 4.17
What are the tax implications of investing in Securities?	Holders of Securities may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Securities subscribed for under this Prospectus. The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.	Section 4.16
What is the Company's Dividend Policy?	The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Business following completion of the Recapitalisation. These activities, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 5.15

Item	Summary	Further information
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**). The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 8.6. Prior to re-listing on the ASX, the Company will announce its compliance and departures from the Recommendations.	Section 8.6
Where can I find more information?	(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser; (b) By contacting the Company Secretary, on + 61 8 9262 7222; or (c) By contacting the Share Registry on + 61 8 9389 8033.	

4. DETAILS OF THE OFFERS

4.1 The Public Offer

The Public Offer is a public offering of 75,581,396 Shares at an issue price of $0.086 per Share to raise $6,500,000.

The Shares issued under the Public Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

4.2 Minimum subscription

The minimum subscription for the Public Offer is $6,500,000 (being, 75,581,395 Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.3 Oversubscriptions

No oversubscriptions will be accepted by the Company under the Public Offer.

4.4 Lead manager

The Company has appointed Indian Ocean Corporate Pty Ltd (ACN 142 266 279) as Lead Manager to the Public Offer. The Lead Manager will receive a fee, in cash, of 6% of the total amount raised under the Public Offer upon completion of the Public Offer. For further information in relation to the appointment of the Lead Manager, please refer to Section 9.1.

4.5 Underwritten

The Public Offer is not underwritten.

4.6 Condition of the Public Offer

The Public Offer is conditional upon the ASX granting approval for the Company to be re-admitted to the Official List (the **Condition**).

If this Condition is not satisfied, the Public Offer will not proceed and the Company will repay all application monies received under the Public Offer within the time prescribed under the Corporations Act, without interest.

4.7 Purpose of the Public Offer

The primary purposes of the Public Offer are to:

(a) raise funds to enable the Company to complete the Recapitalisation;

(b) assist the Company to satisfy certain Reinstatement Conditions to enable the reinstatement of the Company's securities to trading on the Official List;

(c) provide the Company with additional funding for:

(i) partial repayment of the WPF Loan;

(ii) repayment of amounts owed to creditors;

(iii) durability testing;

(iv) new products tooling;

(v) USA emissions certification;

(vi) research and development costs for new products; and

(vii) the Company's working capital requirements while it is implementing the above; and

(d) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Public Offer.

The Company intends on applying the funds raised under the Public Offer together with its existing cash reserves in the manner detailed in Section 5.11.

4.8 The Cleansing Offer

By this Prospectus, the Company invites investors identified by the Directors to apply for 100 Shares at an issue price of $0.086 per Share, to raise $8.60 (before expenses) under the Cleansing Offer.

The purpose of the Cleansing Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Recapitalisation prior to the Closing Date of the Cleansing Offer (excluding, for the avoidance of doubt, Shares issued under the Public Offer).

The Shares issued under the Cleansing Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2.

The Cleansing Offer will only be extended to specific parties on invitation from the Directors. Cleansing Offer Application Forms will be provided by the Company to these parties only.

The Cleansing Offer will automatically close upon the issue of Shares under the Recapitalisation (excluding the Public Offer).

4.9 The Options Offer

By this Prospectus, the Company offers 5,000,000 Options, exercisable at $0.086 each on or before the date that is 3 years from the date of issue of the Options, to the Proposed Non-Executive Chairman, Mr Wayne Knight (or his nominee) for nil cash consideration as part of the remuneration package of Mr Knight.

The purpose of the Options Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that may be issued upon exercise of the Options.

The Options issued under the Options Offer will be issued on the terms and conditions set out in Section 10.3. The Company will not apply for quotation of the Options to be issued under the Options Offer.

The Options Offer will only be extended to the Proposed Non-Executive Chairman, Mr Wayne Knight (or his nominee). Issue of the Options under the Options Offer will occur upon the appointment of Mr Wayne Knight as Non-Executive Chairman following completion of the Recapitalisation and relisting of the Company.

4.10 Applications

Applications for Shares under the Public Offer must be made by using the relevant Application Form as follows:

(a) using an online Application Form at www.sprintex.com.au (which will mean that payment of the application monies will also be made electronically); or

(b) completing a paper-based application using the Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the Public Offer must be for a minimum of $2,000 worth of Shares (23,256) Shares and thereafter in multiples of 5,814 Shares and payment for the Shares must be made in full at the issue price of $0.086 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Sprintex Limited**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date of the Public Offer, which is scheduled to occur on 16 November 2020.

If paying by BPAY®, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY should be aware of their financial institutions cut-off time (the time payment must be made to be processed overnight) and ensure payment is process by their financial institution on or before the day prior to the Closing Date of the Public Offer. You do not need to return any documents if you have made payment via BPAY.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Public Offer early.

4.11 Allocation Policy under the Public Offer

The Company retains an absolute discretion to allocate Shares under the Public Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:

(a) the number of Shares applied for;

(b) the overall level of demand for the Public Offer;

(c) the desire for a spread of investors, including institutional investors; and

(d) the desire for an informed and active market for trading Shares following completion of the Public Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.12 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has received the approval of ASX to be re-admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Public Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.13 Issue

Subject to the Condition set out in Section 4.6 being met, issue of Shares under the Public Offer will take place as soon as practicable after the Closing Date of the Public Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in conjunction with the Lead Manager) will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.11 above). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date of the Public Offer.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHESS) holders will be mailed to applicants being issued Shares pursuant to the Public Offer as soon as practicable after their issue.

4.14 Applicants outside Australia, the People's Republic of China and Hong Kong

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia, the People's Republic of China or Hong Kong, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia, the People's Republic of China or Hong Kong. Applicants who are resident in countries other than Australia, the People's Republic of China or Hong Kong, should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia, the People's Republic of China or Hong Kong, it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

4.14.1 People's Republic of China

This document has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) (**PRC**).

Accordingly, the Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for such securities be made from, within the PRC. This document does not constitute an offer of Shares within the PRC. The Shares may not be offered or sold to legal or natural persons in the PRC other than to:

(a) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets;

(b) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or

(c) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

If you are in the PRC, you represent and warrant that you are a:

(a) "qualified domestic institutional investor" as approved by the relevant PRC regulatory authorities to invest in overseas capital markets;

(b) sovereign wealth fund or quasi-government investment fund that has the authorisation to make overseas investment; or

(c) qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

4.14.2 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Shares and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

4.15 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commission that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

4.16 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Securities under the Public Offer.

4.17 Withdrawal of Offers

The Offers may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

5. COMPANY OVERVIEW

5.1 Company Background

Sprintex is an automotive engineering, research, product development and manufacturing company, incorporated in Australia in 2003 and admitted to the Official List in 2008.

Sprintex designs and manufactures superchargers for use in a wide variety of combustion engines and is currently focused on the development and commercialisation of the Sprintex® twin screw supercharger, and supercharger systems incorporating the Sprintex® twin screw supercharger, in the automotive aftermarket and original equipment manufacturer (**OEM**) market in Australia, Asia, Africa, the Middle East, Europe and the United States of America.

The nature of the Company's business is such that the Company generally relies upon relationships with third parties such as dealers and distributors to sell its products on a purchase order basis. Further, sales are often made on a one-off or limited quantity basis. Accordingly, such sales are not typically made on a long-term basis or pursuant to formal distribution agreements.

On 28 September 2018, Sprintex was suspended from trading on the Official List pending an announcement in respect of a proposal for the recapitalisation of the Company (which proposal was subsequently announced in April 2019). The Company has remained in suspension since that date.

The Company has recently entered into a number of binding agreements in respect of its Recapitalisation (**Recapitalisation Agreements**). Pursuant to the Recapitalisation Agreements, the Company has conditionally agreed to, among other things:

(a) acquire the remaining interest in Proreka Sprintex (the Company's joint venture in Malaysia) that the Company does not already own, such that the Company will own 100% of Proreka Sprintex;

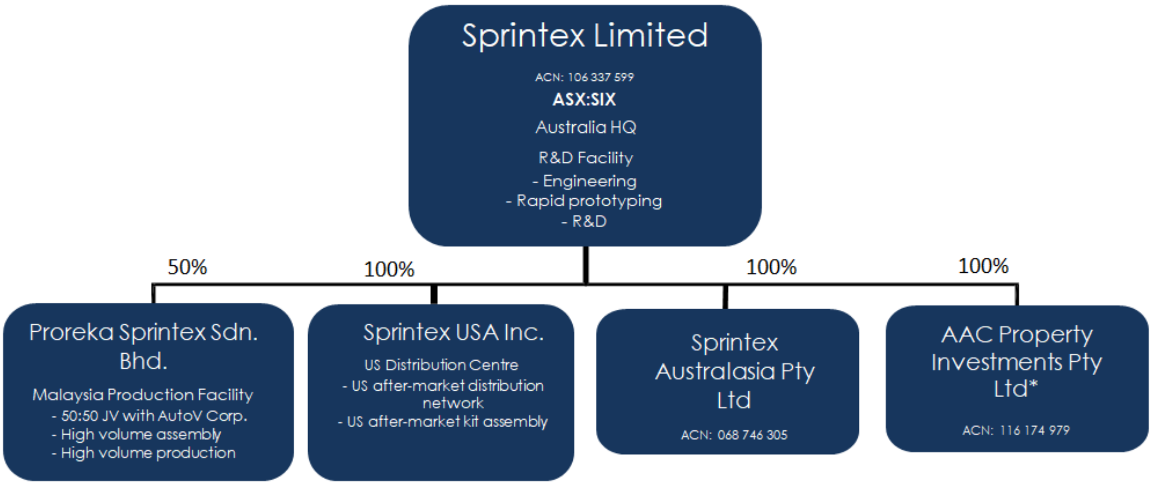
(b) convert part (and repay the balance) of existing debt owing to Shareholders and other third parties into Shares; and

(c) raise $6,500,000 (pursuant to the Public Offer),

to facilitate the reinstatement of the Company's securities to trading on the Official List. Please refer to the Key Offer and Reinstatement Information Section (Section 2) and Schedule 1 for further detail regarding the Recapitalisation and Section 9.2 for summaries of the Recapitalisation Agreements.

5.2 Company Group

The Company Group is comprised of the following entities:



**AAC Property Investments Pty Ltd is a dormant entity.*

The Company's research and development base is located in Perth, Western Australia and this is where the Company's design, engineering and calibration team work together to provide technical and innovative solutions to support both the automotive aftermarket and OEM sectors (described in Section 5.5 below) with the use of the Sprintex® twin screw supercharger and supercharger systems. The Company's facility in Perth has capability for prototype and testing, and the team is well equipped to provide engineering concept ideas and solutions at low cost. The Perth team utilise outside technical resources for calibration and other technical input as and when required.

The Company's production facility in Malaysia was commissioned in January 2013 by Proreka Sprintex, an automotive component manufacturer and supplier incorporated in Malaysia and an entity jointly owned by the Company and AutoV (who each have a 50% interest). Able to provide high volume quality parts and systems and supported by a highly trained production and engineering team, the Malaysian facility and its personnel have continued to grow since establishment and provide a solid production platform for the Company Group.

The Company Group also utilises a shared distribution and final assembly facility in Auburn Hills, Michigan USA, via the Company's wholly owned subsidiary Sprintex USA Inc. (**Sprintex USA**), where it undertakes final assembly of the Company's twin screw supercharger manufactured by Proreka Sprintex in Malaysia and distributes such twin screw supercharger systems to the American and Canadian markets. The shared facility also provides customer support and sales and marketing for the region.

Sprintex Australasia Pty Ltd holds the intellectual property of the Company. Please refer to Section 5.8 below and the Intellectual Property Report at Annexure B for further detail.

5.3 Superchargers

"Supercharger" is the generic term for an air compressor or pump used to increase the pressure or density of air entering an engine, providing more oxygen with which to burn fuel. The earliest superchargers were all driven by power taken from the crankshaft, typically by gear, belt, or chain. The Company specialises in twin screw superchargers, a form of compressor that compresses air internally, and can be used in applications other than internal combustion engines, such as oil-free industrial air or vacuum supply, waste water reclamation and the like.

Superchargers compress air, which in turn boosts power by increasing the amount of fuel laden air entering the engine. This improves the ignition burn, reducing fuel use and the emission of pollutants such as carbon monoxide, carbon dioxide, hydrocarbons and nitrous oxide.

Traditionally, a product for automotive enthusiasts, the application of superchargers is evolving from performance engines to becoming a solution for everyday vehicles.

5.3.1 Emissions Advantage

General public pressure surrounding global warming and air quality has governments across the world legislating more stringent emissions targets for automotive manufacturers. Globally, emissions standards are aimed at reducing greenhouse gases such as carbon dioxide (**CO2**) and other pollutants affecting climate change. The application of supercharger technology plays an increasingly important role in allowing vehicle manufacturers to meet their emissions targets and improve fuel efficiency while maintaining power.

The Company's patented Sprintex supercharger plays a key role in reducing emissions and fuel consumption in combustion engines as the Sprintex supercharger:

(a) reduces the emission of pollutants such as carbon monoxide, carbon dioxide, hydrocarbons and nitrous oxides from engine exhaust to the earth's atmosphere;

(b) uses a simple helical twin-rotor air induction system operating at lower temperatures, negating the need for intercoolers in normal operating conditions; and

(c) is proven and tested technology.

The vehicles of the future will be shaped by consumer trends, increasing strict government regulation and the manufacturers' needs for brand differentiation. The Company's competitive advantage in the area of fuel efficiency and emissions control, while delivering superior power performance, is key to the success of the Sprintex supercharger.

Please refer to Section 5.7 below for further detail regarding the emissions standards applicable to the Company's products.

5.3.2 Performance

Lowering engine fuel consumption and, as a consequence, the lowering of emissions, is seen as an important element contributing towards global sustainability. Smaller capacity engines may consume less fuel however they also compromise consumer demands for power.

In general, the benefit of forced induction technologies, such as supercharging, is that increasing the air pressure within the inlet manifold increases the amount of air delivered to the combustion chamber, in turn resulting in higher combustion pressures (increasing torque) and allowing more fuel to be burned (increasing power).

The technology may therefore be used to achieve greater performance in high powered cars or to enable adequate performance to be achieved with a smaller, lighter engine. Virtually all early applications of the supercharger technology addressed the first application, while the second application is becoming increasingly important.

5.4 The Sprintex Supercharger Story

As set out above, the application of superchargers is evolving from performance engines for enthusiasts to becoming a solution for everyday vehicles to meet emission standards while maintaining desired engine performance. The key drivers for adoption of the Company's patented twin screw supercharger technology are as follows:

(a) the Sprintex supercharger has better engine performance than standard normally aspirated engines – a Sprintex powered engine allows original equipment manufacturers (**OEMs**) to successfully reduce the engine capacity while producing lower emissions and fuel consumption for the same power output of a larger engine;

(b) the Sprintex supercharger operates at a lower temperature due to its unique design, reducing the need for an intercooler and therefore reduces installation costs;

(c) the Sprintex supercharger assists in reducing CO2, lower emissions assist OEMs to meet increasingly stringent environmental standards;

(d) the Sprintex supercharger has no turbo lag – Sprintex is driven from the crankshaft providing additional power from idle;

(e) the reduced technology risk - since incorporation, Sprintex has invested approximately $56.4 million over 16 years of commercialisation and testing its supercharger technology; and

(f) the Sprintex supercharger is patented technology (refer to Section 5.8 and Annexure B for further detail).

In addition to the advantages associated with the Sprintex superchargers as set out above, the Sprintex range of superchargers can be attached to any combustion engine and will operate with any type of fuel such as petrol (2 and 4 stroke), diesel, natural gas (LNG), LPG, fuel cell, hydrogen and biofuels.

In terms of its design, the Sprintex supercharger is a positive displacement air pump, delivering the same advantages of other forced induction technologies (including turbocharging) with improved efficiency and much faster transient response time than turbocharging.

5.5 Primary Markets and Products

The Company operates in two main markets:

(a) the automotive aftermarket, where it is focused on the design, manufacture and sale of retrofit complete supercharger systems for on and off-road vehicles, primarily offering performance increases for lifestyle vehicles such as the Jeep range manufactured by Fiat Chrysler Automobiles (**FCA**); and

(b) the manufacture of superchargers and compressors for OEMs for on and off-road vehicles, marine, aviation and other specialty engines and for industrial applications.

Both the aftermarket and OEM market present opportunities for supercharger technology to meet emission standards while providing a desired level of engine performance. The aftermarket is characterised by low volume but high margin value per unit, whereas the OEM market is high value but typically low margin per unit.

5.5.1 Aftermarket products

The automotive aftermarket is the secondary market of the automotive industry. In general terms, it is the market for replacement parts, accessories and requirement for the care or enhancement of the original vehicle following the sale of the vehicle by the OEM to the consumer. As the cost of supercharging engines reduces and operating efficiencies improve, the aftermarket emerges as an increasingly significant sales segment. Improved engine performance is the key driver in the adoption of supercharger technology in the aftermarket.

The Sprintex product range has been involved in the automotive aftermarket for more than 16 years and Sprintex currently offers a range of supercharger systems for the Jeep Wrangler, Gladiator and Grand Cherokee, Dodge Challenger and Charger, Chrysler 300C and Ram trucks, Toyota FT86 and Subaru BRZ covering a range of models manufactured from 2005 to current production models).

Since 2018, the Company has been developing a new system to suit the latest models from Chrysler-Jeep, including the Wrangler JL, Gladiator JL and Grand Cherokee WK2 (suitable for the 2019 model through to approximately 2025). This new system is also backwards compatible to 2012 Chrysler-Jeep models, adding a further units to the total potential market size for this vehicle range. The forced induction sector (comprising of supercharger and turbocharger systems) of the automotive aftermarket in the United States of America alone at approximately A$1 billion p.a. in 2018, an increase of approximately 13% from 2015 (~A$870 million).

Sprintex aftermarket supercharger systems are distributed in the USA by the Company's wholly owned subsidiary, Sprintex USA Inc., and by distribution groups such as Meyer Distributing Inc. and Amazon.com Inc on a purchase order basis. Outside of the USA and Canada, Sprintex products are distributed by the Company, through a network of dealers and distributors, primarily on a purchase order basis.

With the addition of the new Jeep JL system, the Company expects to add at least one more major distribution channel, in the form of a private or 'white' label arrangement with a major aftermarket manufacturer that has worldwide distribution. Under this arrangement, the Sprintex product would be sold under that manufacturers' own brand.

The Company's main competitors for the aftermarket, are Edelbrock LLC, a California based manufacturer, Magnuson Superchargers LLC, also a California based manufacturer and Ripp Superchargers, based in New York. Each of these competitors use supercharger units manufactured by third parties, whereas Sprintex manufactures its own superchargers in the low cost Proreka Sprintex facility, offering the Company a cost advantage over its main competitors.

5.5.2 Original Equipment Manufacturer ("OEM") Products

In addition to its operations in the automotive aftermarket, the Company has been working with various OEMs over recent years, in both the automotive and industrial sectors, in some cases developing specific products for marine, aviation or industrial use. OEMs are under increasing pressure to build smaller capacity, more emission-friendly engines that use less fuel. Consumers expect these smaller engines to deliver the same performance as larger capacity engines.

Presently, the Company manufactures its core supercharger products in joint venture with AutoV in Malaysia through the joint venture entity, Proreka Sprintex. The Malaysian joint venture was established in 2012 and the joint venture facility commissioned in 2013.

As set out above, as part of the Recapitalisation, Sprintex will acquire all of AutoV's interest in the Malaysian joint venture, Proreka Sprintex, which will result in Sprintex owning 100% of Proreka Sprintex and the equipment and machinery comprising the Malaysian manufacturing operations. 100% ownership will afford the Company lower average manufacturing costs (as a result of a reduction in the margin of products manufactured at the Malaysian facility and parts sourced by Proreka Sprintex) and will present a viable opportunity for the Company to pursue third party manufacture of supercharger products and compressors for OEMs.

There are few competitors to Sprintex in the specialty OEM twin screw supercharger and compressor market. Eaton Corporation (**Eaton**) is the main competitor and is focused on large scale OEM projects, historically declining smaller (≤100,000 unit) programs (refer below for further detail regarding Eaton). IHI America is a significant competitor in the OEM market, particularly in USA.

5.6 New Market Opportunities

5.6.1 Mopar and the new Sprintex JL supercharger system

Mopar is a division of FCA that offers factory approved performance upgrades for FCA manufactured vehicles, in a manner similar to the AMG division of Mercedes Benz. Currently, Mopar is evaluating the new Sprintex JL supercharger system for suitability as a product offering under the Mopar performance brand. This evaluation has been delayed by the impact of the COVID-19 pandemic on FCA operations however, the evaluation process resumed in September 2020.

In parallel with the Mopar evaluation and following completion of the Recapitalisation, Sprintex intends to undertake durability testing on the new JL supercharger system in the form of accelerated wear rate testing over a 90-day period. Further, Sprintex intends to complete the California Air Resources Board (**CARB**) emissions certification for the new JL supercharger system, which is to be carried out in at a certified laboratory in California (a mandatory certification condition) (refer to the use of funds set out in Section 5.11 for further detail). This emissions certification process is estimated as a 60-day process after completion of the Recapitalisation. The Company is familiar with the requirements of this certification having obtained CARB Executive Orders (**EO**) for all of its Chrysler-Jeep, Toyota and Subaru systems in current production, therefore completion of this certification is not expected to present additional undue delays or costs.

5.6.2 Eaton Replacement System

Eaton is the world's largest supercharger manufacturer and supplies rotating assemblies (rotors, gears, bearings and support plate) to OEM car manufacturers including Audi, GM, Jaguar, Land Rover and Mercedes. Eaton also manufactures and sells rotating assemblies in the aftermarket, to supercharger system manufacturers such as Magnuson, Edelbrock, Callaway, Roush, Harrop and others. The aftermarket boosted vehicle industry revenue for 2018 was US$690 million (approximately A$1 billion based on an exchange rate of [A1.45=US$1]), an increase of 13% from 2015.

Currently, the trend for large engines and large superchargers in OEM vehicles is reducing. Engines are being downsized and supercharged or turbocharged (or both in combination), resulting in the OEM supercharger demand moving toward smaller capacity units. This trend is reducing the demand for large superchargers in OEM applications.

Sprintex is currently developing a 'bolt in' direct replacement rotating assembly that is intended to replace and supersede the Eaton product. Subject to successful development, this replacement would provide significantly more air than the Eaton parts, offering both a substitute product and an instant upgrade to the original Eaton specification.

In addition to a replacement product for the aftermarket manufacturers such as Magnuson, this product is also applicable to almost every OEM supercharged car that has been manufactured in the last 10 years. The Directors and Proposed Directors believe that a further advantage of this proposed aftermarket upgrade, which would replace a worn out or failed component as well as providing a significant performance upgrade in what are already performance-oriented vehicles, is that it could be sold as a retail upgrade, potentially providing a higher price point than it does as a product for other supercharger system manufacturers.

Sprintex has made and tested prototypes of the 'bolt in' direct replacement rotating assembly product and aims to be in a position to launch the product in the near future.

Beyond the application of the 'bolt in' direct replacement rotating assembly product as a replacement for Eaton rotor packs in OEM vehicles, Sprintex also intends to develop a larger complete supercharger based on this rotating group (as a Sprintex product), after completion of the initial product entry to the market in early 2021. The Company expects that a larger, complete supercharger based on this unit could be ready for launch at the Specialty Equipment Market Association (**SEMA**) Exhibition Show in November of 2021.

Prototypes of this unit were manufactured and tested at Sprintex in 2015, however at that time, capital was not available to complete the testing, modification and durability programs and bring the product to market. Post completion of the Recapitalisation, the Company believes that this project can be advanced quickly and will add to overall sales of the Company Group.

5.6.3 Other Opportunities

The Company has been working with Weslake Engine, Design and Manufacture (a company incorporated in the United Kingdom) (**Weslake**) to develop a dedicated supercharger for Weslake's lightweight advanced diesel engines for marine and aviation use. Several prototype engines and superchargers have been manufactured for product testing and the Company aims to be in a position to commercialise this engine range in the near future, initially in a marine outboard application.

In addition, the Company is also investigating several other small OEM supercharger supply opportunities which would likely be suited to production at Sprintex.

5.7 Emissions Standards and Regulation

General public pressure surrounding global warming and air quality has governments across the world legislating more stringent emissions targets for automotive manufacturers. As set out above, OEMs continue to focus on technologies that allow them to meet emissions standards while providing the consumer a desired level of engine performance. Traditionally, OEMs will only introduce a technology that has been through thorough exhaustive testing and satisfies all compliance standards.

California (USA) is recognised as adopting the most stringent emissions standards in the world for both vehicle emissions and industrial pollutants. The California Air Resources Board (**CARB**) is the state agency that sets and administers the emissions legislation in California, and which has pioneered many of the approaches now used worldwide to address air quality problems.

In June 2016, the Company achieved CARB approval for the Sprintex supercharger systems for the 3.6L V6 Pentastar engine for JK Jeep, Challenger, Charger, Dodge RAM as well as on the 4.0L TJ and 3.8L JK Wrangler, in April 2017 the Company was successful in obtaining CARB EOs for the Toyota 86/Subaru BRZ range. In July 2020, the Company successfully obtained CARB EOs the 2011-2019 production models of the 3.6L Challenger, Charger and Chrysler 300 and for the 2012-2018 model 3.6L JK Wrangler. In August 2020, the Company also received CARB EOs for the 2012-2019 productions models of the 2.0L Subaru BRZ and the 2012-2016 production model 2.0L Toyota Scion FR-S as well as the 2017-2019 production model 2.0L Toyota 86. All main product lines for the Company currently in production have now achieved CARB EOs and meet or exceed emission requirements in all states of the USA.

Currently, the Company does not have certification for its supercharger systems elsewhere meaning that in some jurisdictions testing may be required by vehicle licensing authorities to demonstrate emissions compliance. However, the Company notes that majority of sales are based on US models requiring CARB and United States Environmental Protection Agency certification (both of which are covered by the CARB testing).

5.8 Intellectual Property

The Company has sought to protect its intellectual property through the preparation and lodgement of patent and trademark applications in the markets in which it operates. Currently, Sprintex has patents over its supercharger system and compressor. The Company Group also holds registered trademarks.

Please refer to the Intellectual Property Report at Annexure B for further detail regarding the Company's intellectual property.

5.9 Operational Changes and Key Objectives

In the past six years, Sprintex has typically operated with limited cash reserves, affecting the Company's ability to develop products in a timely manner, move with the market and stay up to date and relevant. This factor has also handicapped the Company in relation to its ability to win OEM manufacturing opportunities, based on the due diligence findings of the potential customers.

Over the past two years, Sprintex has reduced its overhead costs in Australia, downsizing the Perth based facilities to reflect the transition of manufacturing to the Malaysia facility since its commissioning in 2013.

Completion of the Recapitalisation (including the Public Offer) will allow Sprintex to progress its business strategy to fund development of new products and undertake advertising and marketing activities as required to be successful in the market in which the Company operates.

Post Recapitalisation, the Company is expected to have reduced overheads and defined projects and will be able to focus on the current (Jeep JL supercharger system) project initially and progress to the other projects such as the Eaton replacement system. The Company will also look to market both new and existing products digitally following successful practices of other automotive product manufacturers.

In addition, post Recapitalisation, there will be a significant change in the management of the Company which is intended to strengthen the automotive industry manufacturing, engineering experience and network of the Company's Board and to reduce both overhead and manufacturing costs. Please refer to Sections 8.2 and 8.3 for further detail regarding the Proposed Directors and key management personnel of the Company upon completion of the Recapitalisation.

5.10 Key Dependencies

The success of the Company Group's strategy is dependent on the following factors:

(a) completion of the Recapitalisation (including, the Public Offer) and the reinstatement of the Company's securities to trading on the Official List;

(b) continued research, development and expansion of the Company's supercharger and supercharger system product suite for the automotive aftermarket and OEM sectors;

(c) continued ability to manufacture a high volume of products from the Proreka Sprintex facility in Malaysia (which upon completion of the Recapitalisation, will be wholly owned by the Company);

(d) the strengthening of existing business relationships, and identification of new business relationships, with OEMs to secure future sales orders;

(e) continued protection of the Company's IP, in particular, in respect of the Company's supercharger system and compressor; and

(f) the Company' maintaining its competitive advantage in the area of fuel efficiency and emissions control, while delivering superior power performance products.

5.11 Use of Funds

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, over the first two years following the reinstatement of the Company's securities to trading on the Official List of ASX as follows:

Funds available	Full Subscription ($6,500,000) ($)	Percentage of Funds (%)
Existing cash reserves[1]	152,905	2.30%
Funds raised from the Public Offer	6,500,000	97.70%
Total	**6,652,905**	**100.00**
Allocation of funds		
Partial repayment of WPF Loan[2]	600,000	9.02
Repayment of amounts owed to creditors[3]	1,833,830	27.56
Durability testing[4]	80,000	1.20
New products tooling[5]	380,000	5.71
USA emissions certification for new Jeep JL supercharger system[6]	40,000	0.60
Research and development costs for new products[7]	500,000	7.52
Expenses of the Recapitalisation (including, the Public Offer)[8]	559,869	8.42
Administration and other corporate costs[9]	250,000	3.76
Working capital	1,409,206	21.18
Cash reserves to cover costs during unexpected delays	1,000,000	15.03
Total	**6,652,905**	**100.00**

Notes:

1. Refer to the Financial Information set out in Section 6 for further detail.
2. Refer to Section 9.2.4 for further detail.
3. This includes an amount of approximately US$191,618 payable to MPI in respect of unpaid development costs for the new JL supercharger system.
4. Comprising durability testing of the new (2019 model onwards) Jeep JL system (approximately $60,000) and durability testing for the Eaton replacement rotating group (approximately $20,000).
5. Comprising, machining and assembly fixtures and tooling for the new Jeep JL system and Eaton replacement rotating group and specialised rotor cutting tooling and fixtures for the Eaton replacement rotating group.
6. Comprising certified emissions laboratory testing, carried out on a company test vehicle on location in California, including expenses for one engineer in attendance.
7. Comprising costs of development of the Eaton replacement rotor group.
8. Refer to Section 10.7 for further details.
9. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.

It is anticipated that the funds raised under the Public Offer will enable two (2) years of full operations. It should be noted that the Company may not be fully selffunding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's research and development and expansion programmes. The use of further debt or equity funding will be considered by the Board where it is appropriate to advance the Business model and capitalise on acquisition opportunities in the automotive sector.

The above table is a statement of current intentions as of the date of this Prospectus. Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors. Further, as with any budget, intervening events (including the success or failure of the Company's research and development programmes) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 7.

5.12 Capital Structure

The capital structure of the Company following completion of the Offers is summarised below:

Shares[1]

	Full Subscription
Shares currently on issue	100,000,000
Shares to be issued pursuant to the Recapitalisation (excluding the Public Offer) [2]	39,912,777
Shares to be issued pursuant to the Public Offer	75,581,396
Shares to be issued pursuant to the Cleansing Offer	100
Shares to be issued pursuant to the Options Offer	Nil
Total Shares on completion of the Offers	**215,494,273**

Notes:

1. The rights attaching to the Shares are summarised in Section 10.2.
2. Comprising:
   a. 4,049,709 Shares to be issued to AutoV in consideration for the Acquisition (assuming a USD/AUD foreign exchange rate of 1.3931 (being, the rate as at 24 August 2020 as referred to in the Notice which is not materially different to the USD/AUD exchange rate on the day prior to this Prospectus). Refer to Section 9.2.1 for further detail regarding the Acquisition; and
   b. 35,863,968 Shares to be issued upon the conversion of, or in respect of, loans advanced to the Company from Shareholders and third parties, as follows:
      i. 7,034,883 Shares to Lidx Technology Limited (or its nominee), a related party of the Company by virtue of being an entity controlled by Proposed Director, Li Chen;

ii. 18,681,395 Shares to Ganado Investments Corporation Ltd (or its nominee), an unrelated party of the Company; and

iii. 10,146,790 Shares to WPF (or its nominee), a related party of the Company by virtue of being an entity controlled by Director, Michael Wilson.

Refer to Sections 9.2.2 to 9.2.4for further details regarding the loan and debt conversion agreements entered into between the Company and Lidx, Ganado and WPF.

Options

	Full Subscription
Options currently on issue	Nil
Options to be issued pursuant to the Public Offer	Nil
Options to be issued pursuant to the Cleansing Offer	Nil
Options to be issued to pursuant to the Options Offer[1]	5,000,000
Options to be issued pursuant to the Recapitalisation	Nil
Total Options on completion of the Offers	**5,000,000**

Notes:

1. The Company obtained Shareholder approval for the issue of 5,000,000 Options to Proposed Director, Mr Wayne Knight upon his appointment as Non-Executive Chairman. Subject to completion of the Recapitalisation and reinstatement of the Company's securities to trading on the Official List, these Options would be issued on the terms and conditions set out in Schedule 10.3 of the Notice.

5.13 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Recapitalisation (including, for the avoidance of doubt, the Public Offer) are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Citicorp Nominees Pty Limited[1]	62,428,185	62.43%	62.43%
Michael Wilson[2,3]	15,166,090	15.17%	15.17%
HSBC Custody Nominees (Australia) Limited[3]	11,305,992	11.31%	11.31%

Notes:

1. Comprising, 61,822,000 Shares held on behalf of China Automotive Holdings Limited (an entity controlled by Director, Richard Siemens) and 606,185 Shares held by parties of the Company.

2. Comprising, 12,174,721 Shares held by Michael John Wilson and Megan Joy Wilson, and 2,991,369 Shares held by Michael John Wilson and Megan Joy Wilson <The Wilson Superannuation Fund> (an entity controlled by Michael Wilson). Michael Wilson is a Director.
3. The Company obtained Shareholder approval to issue a further 10,146,790 Shares to Wilson's Pipe Fabrication Pty Ltd (or its nominee) (an entity controlled by Michael Wilson, a Director) in lieu of conversion of part of the WPF Loan upon completion of the Recapitalisation (refer to Resolution 4 of the Notice of Meeting).
4. All held by unrelated parties of the Company.

On completion of the issue of Shares pursuant to the Recapitalisation, including under the Public Offer with Full Subscription, and issue of Options under the Options Offer (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offers)

Shareholder	Shares	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Citicorp Nominees Pty Limited[1]	62,428,185	28.97%	28.31%
Michael Wilson[2]	25,312,880	11.75%	11.48%
HSBC Custody Nominees (Australia) Limited[3]	11,305,992	5.25%	5.13%

Notes:

1. Comprising, 61,822,000 Shares held on behalf of China Automotive Holdings Limited (an entity controlled by Director, Richard Siemens) and 606,185 Shares held by unrelated parties of the Company.
2. Comprising, 12,174,721 Shares held by Michael John Wilson and Megan Joy Wilson, 2,991,369 Shares held by Michael John Wilson and Megan Joy Wilson <The Wilson Superannuation Fund> (an entity controlled by Michael Wilson) and 10,146,790 Shares held by Wilson's Pipe Fabrication Pty Ltd (an entity controlled by Michael Wilson) in lieu of conversion of part of the WPF Loan (assuming completion of the Recapitalisation). Michael Wilson is a Director.
3. All held by unrelated parties of the Company.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offers) prior to the Shares re-commencing trading on ASX.

5.14 Restricted Securities

Upon reinstatement to trading (which is subject to ASX's discretion and approval), no Shares or Options will be classified by ASX as restricted securities and will be required to be held in escrow.

Further, the Company advises Shareholders that no voluntary escrow arrangements have been entered into in respect of any of Securities on issue or to be issued by the Company.

5.15 Dividend Policy

The Company anticipates that significant expenditure will be incurred evaluation and development of the Business following completion of the Recapitalisation. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

6. FINANCIAL INFORMATION

6.1 Background

This Section 6 contains the historical and pro forma financial information for Sprintex Limited and its wholly owned subsidiaries, Sprintex Australasia Pty Ltd, AAC Property Investments Pty Ltd and Sprintex USA Inc. (together, the **Sprintex Group**), and the Company's joint venture entity, Proreka Sprintex Sdn. Bhd (**Proreka Sprintex**) (in which Sprintex Limited has a 50% interest as at the date of this Prospectus).

All information presented in this Section should be read in conjunction with the remainder of this Prospectus, including the description of the use and proceeds of the Public Offer described in Section 5.11, the indicative capital structure in Section 5.12, the risk factors outlined in Section 7 and the Independent Limited Assurance Report in Annexure A.

6.2 Historical and Pro-Forma Financial Information

This Section 6 contains the following financial information in relation to the Sprintex Group and Proreka Sprintex:

(a) the historical Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Sprintex Group for the years ended 30 June 2020, 30 June 2019 and 30 June 2018;

(b) the historical Statement of Profit or Loss and Other Comprehensive Income of Proreka Sprintex for the years ended 30 June 2020, 30 June 2019 and 30 June 2018;

(c) the historical Consolidated Statement of Financial Position of the Sprintex Group as at 30 June 2020, 30 June 2019 and 30 June 2018;

(d) the historical Consolidated Statement of Financial Position of Proreka Sprintex as at 30 June 2020, 30 June 2019 and 30 June 2018;

(e) the historical Consolidated Statement of Cash Flows of the Sprintex Group for the years ended 30 June 2020, 30 June 2019 and 30 June 2018; and

(f) the historical Consolidated Statement of Cash Flows of Proreka Sprintex for the years ended 30 June 2020, 30 June 2019 and 30 June 2018,

(together, the **Historical Financial Information**); and

(g) the pro-forma Consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income of the Sprintex Group and Proreka Sprintex as at 30 June 2020 adjusted to reflect the Recapitalisation (including the Offers) (the **Pro-Forma Financial Information**),

(collectively referred to as the **Financial Information**).

6.3 Basis of preparation of the Financial Information

The Financial Information has been prepared on the basis of the significant accounting policies adopted by the Company set out in Section 6.11 and should be read in conjunction with the accompanying notes set out in Section 6.10.

The historical financial information of Sprintex Group has been extracted from the Company's consolidated financial statements for the financial years ended 30 June 2018, 30 June 2019 and 30 June 2020, which were audited by PKF Perth in accordance with Australian Accounting Standards and International Financial Reporting Standards. The independent audit reports for 2018 and 2019 contain qualified audit opinions on the following basis:

(a) Opening balances – during the 2017 and 2018 audits the auditor was unable to obtain sufficient and appropriate audit evidence to support the Company's share of loss in the joint venture entity (Proreka Sprintex) for that year;

(b) Joint venture – the Company impaired its loan to the joint venture entity, Proreka Sprintex as recorded in the financial accounts and disclosed in the notes. The auditor was unable to obtain sufficient and appropriate audit evidence to confirm the impairment expense. Furthermore, sufficient and appropriate audit evidence to support any of the financial information in relation to the joint venture entity was not received. Consequently, determination by the auditor of whether any adjustments to these amounts was not possible; and

(c) USA taxation obligations – the auditor was unable to obtain sufficient and appropriate audit evidence to ensure direct and indirect tax obligations in the USA have been appropriately accounted for, recognised and disclosed in the financial report.

In addition, the independent audit reports for 2018 and 2019 contained an emphasis of matter concerning material uncertainty related to going concern.

For the year ended 30 June 2020 the independent audit report for the Sprintex Group contained:

(a) a qualified audit opinion on the basis of opening balances – During the 2019 audit the auditor was unable to obtain sufficient appropriate audit evidence to support the Company's share of loss in the joint venture entity (Proreka Sprintex) for the year ended 30 June 2019; and

(b) an emphasis of matter relating to a material uncertainty on going concern.

The historical information of Proreka Sprintex for the years ended 30 June 2018 and 2019 has been subject to an audit by PKF Malaysia in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. PKF Malaysia did not express an audit opinion on the financial reports of Proreka Sprintex for the years ended 30 June 2018 and 30 June 2019 due to:

(a) uncertainty relating to the carrying amount of property, plant and equipment; and

(b) material uncertainty related to going concern.

For the year ended 30 June 2020 PKF Perth issued a qualified audit opinion on the special purpose financial report of Proreka Sprintex (for the avoidance of doubt, PKF Perth was not involved with the audit of Proreka Sprintex for the years ended 30 June 2018 and 2019, as stated above, these services were provided by PKF Malaysia). The audit report noted:

(a) a qualified audit opinion on the basis of opening balances – the auditor was unable to obtain sufficient and appropriate audit evidence to support the balances of Proreka Sprintex as at 30 June 2019; and

(b) an emphasis of matter relating to a material uncertainty on going concern.

In addition a contingent liability was disclosed in Sprintex's Annual Report for the financial year to 30 June 2020 as follows:

The USA controlled entity, Sprintex USA Inc. have engaged an independent taxation firm that have processed and lodged the outstanding direct and indirect taxation returns for the current and previous years. Based on these returns, Sprintex USA Inc. does not have any outstanding obligations. However, due to their outstanding returns being lodged past their due date, there may be penalties incurred. The magnitude of these penalties cannot be determined at the date of this report.

A former group employee based in the USA has made a claim against the Company. This matter is considered to have no merit and is being vigorously defended, further details of this claim which has been consolidated with another claim are set out in Section 10.1.

The Pro-Forma Statement of Financial Position has been derived from the historical statement of financial position of the Sprintex Group and Proreka Sprintex and includes pro-forma adjustments for certain subsequent events and transactions associated with the Recapitalisation and the Offers (as detailed in Section 0 below) as if those transactions and events had occurred as at 30 June 2020.

The Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and International Financial Reporting Standards. The significant accounting policies are set out in Section 6.11 .

The Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures and notes contained in an annual financial report and other mandatory reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Directors are responsible for the preparation and inclusion of the Financial Information in the Prospectus. Stantons International Securities Pty Ltd has prepared the Independent Limited Assurance Report in respect of the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work is set out in Annexure A.

6.4 Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income

Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Sprintex Group for the three financial years ended 30 June 2020

	Sprintex Group Audited Year ended 30 June 2020	Sprintex Group Audited Year ended 30 June 2019	Sprintex Group Audited Year ended 30 June 2018
	AU$	AU$	AU$
Sales of goods and services	1,130,974	1,851,939	2,206,794
Cost of goods sold	(477,703)	(1,231,246)	(1,504,273)
Gross profit	**653,271**	**620,693**	**702,521**
Other income	139,197	8,939	38,125
Forgiveness of related party debt	-	-	765,333
Research and development incentive grant	696,686	1,057,896	1,440,787
Reversal of inventory impairment	-	-	733,989
Distribution and marketing expense	(156,733)	(327,349)	(734,666)
Research and development expense	(541,394)	(844,473)	(1,373,143)
Joint venture impairment expense	(547,904)	(720,347)	(890,400)
Impairment of assets	(122,305)	(140,185)	(136,274)
Administration expenses	(2,009,878)	(2,151,303)	(2,013,889)
Other expenses	(96,383)	(322,908)	(89,047)
Operating loss	**(1,985,443)**	**(2,819,037)**	**(1,556,664)**
Finance income	-	956	316
Finance costs	(849,106)	(119,954)	(328,124)
Loss before income tax expense	**(2,834,549)**	**(2,938,035)**	**(1,884,472)**
Income tax expense	-	-	-
Other comprehensive income, net of income tax			
Translation of foreign operation	(203,932)	126,305	(81,440)
Total comprehensive loss for the year attributable to the company	**(3,038,481)**	**(2,811,730)**	**(1,965,912)**
Loss per Share	$0.028	$0.029	$0.019

Historical Statement of Profit or Loss and Other Comprehensive Income of Proreka Sprintex for the three financial years ended 30 June 2020

	Proreka Sprintex Audited Year ended 30 June 2020	Proreka Sprintex Audited Year ended 30 June 2019	Proreka Sprintex Audited Year ended 30 June 2018
	AU$*	**AU$***	**AU$***
Revenue	124,630	253,654	405,438
Cost of sales	(1,679,402)	(635,005)	(818,996)
Gross loss	**(1,554,772)**	**(381,351)**	**(413,558)**
Other income	-	1,657	104,346
Administration expenses	(355,043)	(434,825)	(515,489)
Loss before income tax expense	**(1,909,815)**	**(814,519)**	**(824,701)**
Income tax expense	-	-	-
Loss for the period	**(1,909,815)**	**(814,519)**	**(824,701)**
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**(1,909,815)**	**(814,519)**	**(824,701)**

*The accounts of Proreka Sprintex have been translated from RM to AU$ (refer to accounting policy note in Section 6.11(e)).

6.5 Historical Consolidated Statement of Financial Position

Historical Consolidated Statement of Financial Position of the Sprintex Group for the three financial years ended 30 June 2020

	Sprintex Group Audited 30 June 2020 AU$	Sprintex Group Audited 30 June 2019 AU$	Sprintex Group Audited 30 June 2018 AU$
CURRENT ASSETS			
Cash and cash equivalents	146,260	600,551	87,022
Pledged bank deposits	30,000	30,000	30,000
Trade and other receivables	242,259	199,937	374,983
Inventories	48,623	349,812	828,626
TOTAL CURRENT ASSETS	**467,142**	**1,180,300**	**1,320,631**
NON CURRENT ASSETS			
Property, plant and equipment	206,746	261,585	802,019
TOTAL NON CURRENT ASSETS	**206,746**	**261,585**	**802,019**
TOTAL ASSETS	**673,888**	**1,441,885**	**2,122,650**

	Sprintex Group Audited 30 June 2020 AU$	Sprintex Group Audited 30 June 2019 AU$	Sprintex Group Audited 30 June 2018 AU$
CURRENT LIABILITIES			
Trade and other payables	(1,888,662)	(552,871)	(1,010,288)
Borrowings	(6,246,151)	(5,123,366)	(2,579,363)
Provisions	(60,365)	(212,265)	(142,041)
TOTAL CURRENT LIABILITIES	**(8,195,178)**	**(5,888,502)**	**(3,731,692)**
NON CURRENT LIABILITIES			
Borrowings	(25,043)	(61,235)	(87,081)
NON CURRENT LIABILITIES	**(25,043)**	**(61,235)**	**(87,081)**
TOTAL LIABILITIES	**(8,220,221)**	**5,949,737**	**(3,818,773)**
NET LIABILITIES	**(7,546,333)**	**(4,507,852)**	**(1,696,123)**
EQUITY			
Issued capital	56,477,246	56,477,246	56,477,246
Reserves	(119,227)	84,705	(41,600)
Accumulated losses	(63,904,352)	(61,069,803)	(58,131,769)
TOTAL EQUITY	**(7,546,333)**	**(4,507,852)**	**(1,696,123)**

<u>Historical Statement of Financial Position of Proreka Sprintex for the three financial years ended 30 June 2020</u>

	Proreka Sprintex Audited 30 June 2020 AU$*	Proreka Sprintex Audited 30 June 2019 AU$*	Proreka Sprintex Audited 30 June 2018 AU$*
CURRENT ASSETS			
Cash and cash equivalents	6,645	2,872	8,928
Trade and other receivables	148,937	93,605	75,481
Other current assets	74,487	1,101,926	1,077,644
TOTAL CURRENT ASSETS	**230,069**	**1,198,403**	**1,162,053**
NON CURRENT ASSETS			
Other non-current assets	409,533	347,283	600,084
TOTAL NON CURRENT ASSETS	**409,533**	**347,283**	**600,084**
TOTAL ASSETS	**639,602**	**1,545,686**	**1,762,137**

	Proreka Sprintex Audited 30 June 2020 AU$*	Proreka Sprintex Audited 30 June 2019 AU$*	Proreka Sprintex Audited 30 June 2018 AU$*
CURRENT LIABILITIES			
Trade and other payables	(135,166)	(54,964)	(136,747)
Borrowings	(5,497,019)	(5,075,131)	(4,161,947)
Other current liabilities	(162,993)	(50,152)	(195,135)
TOTAL CURRENT LIABILITIES	**(5,795,178)**	**(5,180,247)**	**(4,493,829)**
NON CURRENT LIABILITIES	**(273,601)**	**-**	**-**
TOTAL LIABILITIES	**(6,068,779)**	**(5,180,247)**	**(4,493,829)**
NET LIABILITIES	**(5,429,177)**	**(3,634,561)**	**(2,731,692)**
EQUITY			
Issued capital	3,318,608	3,318,608	3,318,608
Reserves	(130,960)	(246,159)	(157,808)
Accumulated losses	(8,616,825)	(6,707,010)	(5,892,491)
TOTAL EQUITY	**(5,429,177)**	**(3,634,561)**	**(2,731,692)**

*The accounts of Sprintex Proreka have been translated from RM to AU$ (refer to accounting policy note in Section 6.11(e)).

6.6 Historical Consolidated Statement of Cash Flows

Historical Consolidated Statement of Cash Flows of the Sprintex Group for the three financial years ended 30 June 2020

	Sprintex Group Audited Year ended 30 June 2020 AU$	Sprintex Group Audited Year ended 30 June 2019 AU$	Sprintex Group Audited Year ended 30 June 2018 AU$
Cash Flows from Operating Activities			
Receipts from customers	1,151,626	2,038,026	2,097,129
Payments to suppliers and employees	(2,931,491)	(4,346,153)	(4,689,077)
Interest and finance lease charges paid	(7,618)	(118,231)	(11,958)
Interest received	2,222	956	316
Research and Development incentive grant	696,686	1,057,896	1,440,787
Government grant received	74,000	-	-
Net cash used in operating activities	**(1,014,575)**	**(1,367,506)**	**(1,162,803)**

	Sprintex Group Audited Year ended 30 June 2020 AU$	Sprintex Group Audited Year ended 30 June 2019 AU$	Sprintex Group Audited Year ended 30 June 2018 AU$
Cash Flows from Investing Activities			
Contribution to joint venture entity	(436,100)	(788,637)	(890,400)
Proceeds from sale of property, plant and equipment	33,817	264,831	58,687
Payments for property, plant and equipment	(10,729)	(11,931)	(169,685)
Net cash used in investing activities	**(413,012)**	**(535,737)**	**(1,001,398)**
Cash Flows from Financing Activities			
Proceeds from borrowings	1,041,220	3,661,535	2,133,093
Repayment of borrowings	(67,924)	(1,244,763)	(83,506)
Net cash from financing activities	**973,296**	**2,416,772**	**2,049,587**
Net increase/(decrease) in cash and cash equivalents	**(454,291)**	**513,529**	**(114,614)**
Cash and cash equivalents at beginning of the period	600,551	87,022	201,636
Cash and cash equivalents at end of the period	**146,260**	**600,551**	**87,022**

<u>Historical Consolidated Statement of Cash Flows of the Proreka Sprintex for the three financial years ended 30 June 2020</u>

	Proreka Sprintex Audited Year ended 30 June 2020 AU $	Proreka Sprintex Audited Year ended 30 June 2019 A U$	Proreka Sprintex Audited Year ended 30 June 2018 AU$
Cash Flows from Operating Activities			
Receipts from customers	80,274	253,654	405,438
Cash paid to suppliers and employees	(272,506)	(1,045,844)	(1,208,914)
Net cash used in operating activities	**(192,232)**	**(792,190)**	**(803,476)**

	Proreka Sprintex Audited Year ended 30 June 2020 AU$	Proreka Sprintex Audited Year ended 30 June 2019 AU$	Proreka Sprintex Audited Year ended 30 June 2018 AU$
Cash Flows from Investing Activities			
Payments for property, plant and equipment	(26,272)	(123)	-
Net cash used in investing activities	**(26,272)**	**(123)**	**-**
Cash Flows from Financing Activities			
Proceeds from shareholder loan (Sprintex Group)	414,712	786,114	827,094
Repayment lease liabilities	(192,440)	-	-
Repayment of hire purchase liabilities	-	-	(30,167)
Net cash from financing activities	**222,272**	**786,114**	**796,927**
Net increase/(decrease) in cash and cash equivalents	**3,768**	**(6,199)**	**(6,549)**
Cash and cash equivalents at beginning of the period	**2,872**	**8,928**	**14,982**
Foreign exchange movement	**5**	**143**	**495**
Cash and cash equivalents at end of the period	**6,645**	**2,872**	**8,928**

6.7 Historical and Pro-forma Statement of Profit or Loss and Other Comprehensive Income of Sprintex Group and Proreka Sprintex for the year ended 30 June 2020

The table below sets out the historical and pro-forma consolidated statement of profit or loss and other comprehensive income of the Sprintex Group and Proreka Sprintex for the year ended 30 June 2020, extracted without adjustment from the Company's audited financial statements, and the pro forma adjustments that have been made to the statement of profit or loss and other comprehensive income of the Sprintex Group and Proreka Sprintex for the year ended 30 June 2020. The unaudited pro forma statement of profit or loss and other comprehensive income below is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial results.

		Sprintex Group	Proreka Sprintex Sdn. Bhd.	Sprintex Group post-Recapitalisation
		Audited	**Audited**	**Unaudited**
		Actual	**Actual**	**Pro-forma Consolidated**
		Year ended 30 June 2020	**Year ended 30 June 2020**	**Year ended 30 June 2020**
		AU$	**AU$**	**AU$**
Sales of goods and services		1,130,974	124,630	1,130,974
Cost of goods sold		(477,703)	(1,679,402)	(477,703)
Gross profit		**653,271**	**(1,554,772)**	**653,271**
Other income		139,197	-	139,197
Research and development		696,686	-	696,686
Forgiveness of CAHL loan		-	-	2,822,407
Distribution and marketing		(156,733)	-	(156,733)
Research and development		(541,394)	-	(541,394)
Joint venture impairment		(547,904)	-	-
Impairment of asset		(122,305)	-	(122,305)
Administration expenses		(2,009,878)	(355,043)	(2,119,878)
Other expenses		(96,383)	-	(96,384)
Finance costs		(849,106)	-	(879,106)
Loss on acquisition of Proreka Sprintex		-	-	(7,460,582)
Costs of the Offer		-	-	(160,119)
Loss before income tax		**(2,834,549)**	**(1,909,815)**	**(7,224,940)**
Income tax expense		-	-	-
Other comprehensive		-	-	-
Translation of foreign		(203,932)	-	(203,932)
Total comprehensive loss for the year attributable to the Company		**(3,038,481)**	**(1,909,815)**	**(7,428,872)**

6.8 Historical and Pro-forma Consolidated Statement of Financial Position of Sprintex Group and Proreka Sprintex as at 30 June 2020

The table below sets out the historical consolidated statement of financial position of the Sprintex Group and Proreka Sprintex as at 30 June 2020, extracted without adjustment from the Company's audited financial statements, and the pro forma adjustments that have been made to the statement of financial position of the Sprintex Group and Proreka Sprintex as at 30 June 2020. The unaudited pro forma consolidated statement of financial position below is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

		Sprintex Group	Proreka Sprintex Sdn. Bhd.	Sprintex Group post-Recapitalisation
		Audited	**Audited**	**Unaudited**
		Actual	**Actual**	**Pro-forma Consolidated**
	Notes	**30 June 2020**	**30 June 2020**	**30 June 2020**
		AU$	**AU$**	**AU$**
CURRENT ASSETS				
Cash and cash equivalents	1	146,260	6,645	5,493,036
Pledged bank deposits		30,000	-	30,000
Trade and other receivables		242,259	148,937	391,196
Inventories		48,623	74,487	123,109
TOTAL CURRENT ASSETS		**467,142**	**230,069**	**6,037,341**
NON CURRENT ASSETS				
Property, Plant and equipment		206,746	-	206,746
Right of use asset		-	409,533	409,533
TOTAL NON CURRENT ASSETS		**206,746**	**409,533**	**616,279**
TOTAL ASSETS		**673,888**	**639,602**	**6,653,620**
CURRENT LIABILITIES				
Trade and other payables		(1,888,662)	(135,166)	(1,833,830)
Borrowings	2	(6,246,151)	(5,497,019)	(69,520)
Lease liabilities		-	(162,993)	(162,993)
Provisions		(60,365)	-	(60,365)
TOTAL CURRENT LIABILITIES		**(8,195,178)**	**(5,795,178)**	**(2,126,708)**
NON CURRENT LIABILITIES				
Lease liabilities		-	(273,601)	(273,601)
Borrowings		(25,043)	-	(25,043)
TOTAL NON CURRENT LIABILITIES		**(25,043)**	**(273,601)**	**(298,644)**
TOTAL LIABILITIES		**(8,220,221)**	**(6,068,779)**	**(2,425,352)**
NET ASSETS / (LIABILITIES)		**(7,546,333)**	**(5,429,177)**	**4,228,268**

		Sprintex Group	Proreka Sprintex Sdn. Bhd.	Sprintex Group post-Recapitalisation
		Audited	**Audited**	**Unaudited**
		Actual	**Actual**	**Pro-forma Consolidated**
	Notes	**30 June 2020**	**30 June 2020**	**30 June 2020**
EQUITY				
Contributed equity	3	56,477,246	3,318,608	66,025,992
Reserves		(119,227)	(130,960)	(119,227)
Accumulated losses	4	(63,904,352)	(8,616,825)	(61,678,497)
TOTAL EQUITY		**(7,546,333)**	**(5,429,177)**	**4,228,268**

6.9 Description of Pro-forma Adjustments

The pro-forma statement of financial position has been derived from the audited historical statement of financial position as at 30 June 2020, after reflecting the Directors' pro forma adjustments for the following subsequent events and other transactions which are proposed to occur immediately before or following completion of the Offers, as if they had occurred as at 30 June 2020.

The following pro-forma adjustments have been made in relation to events subsequent to 30 June 2020:

(a) Receipt of $300,000 in funds from Lidx Technology Limited (an entity controlled by Proposed Director, Mr Li Chen) with associated Finance Charge of $30,000 post 30 June 2020; and

(b) Payment of administration expenses totalling $110,000 and trade creditors totalling $190,000 with the funds received.

The following pro-forma transactions are yet to occur, but are proposed to occur immediately before or following completion of the Offers:

(a) **Offers under this Prospectus**

The issue of up to 75,581,395 Shares at an issue price of $0.086 per Share to raise $6,500,000 before costs, pursuant to the Public Offer.

The payment of cash costs related to the Public Offer of $559,869.

The issue of up to 100 Shares at an issue price of $0.086 per Share to raise up to $8.60 under the Cleansing Offer (the Company notes that no Shares will be issued under this offer as it is primarily included for the purpose of section 708(8) and (11) of the Corporations Act to remove trading restrictions on the sale of Shares issue by the Company prior to the Closing Date of the Cleansing Offer, as such, no funds will be raised under the Cleansing Offer).

The issue of 5,000,000 Options to the Proposed Non-Executive Chairman, Wayne Knight, for nil cash consideration under the Options Offer as part of the remuneration of the Proposed Non-Executive Chairman.

(b) **AutoV Acquisition**

The issue of 4,235,723 Shares at a deemed issue price of $0.086 per Share (being, US$250,000 (approximately $364,272[4] worth of Shares) to AutoV Corporation Sdn. Bhd. (AutoV) in consideration for the acquisition of the remaining interest in the Malaysian joint venture, Proreka Sprintex Sdn. Bhd. (Proreka Sprintex) that the Company does not already own (being a 50% interest) held by AutoV. Refer to Section 9.2.1 for further detail regarding the Acquisition.

(c) **Conversion of Sprintex loans to equity**

The issue of an aggregate of 35,863,070 Shares in lieu of the conversion of, and satisfaction of a financing charge payable in respect of, existing Sprintex loans, and the payment of $600,000 in respect of the partial repayment of an existing Sprintex loan:

(i) **Lidx Loan:** Subject to Shareholder approval, the Company will issue Lidx Technology Limited (an entity controlled by Proposed Director, Mr Li Chen) (**Lidx**) 7,034,883 Shares at a deemed issue price of $0.086 per Share in consideration for the conversion of the total amount owing under the Lidx Loan of $550,000 and satisfaction of the Financing Charge of $55,000. Refer to Section 9.2.2 for further detail regarding the terms and conditions of the Lidx Loan.

(ii) **GICL Loan**: Subject to Shareholder approval, the Company will issue 18,681,395 Shares at a deemed issue price of $0.086 per Share to Ganado Investments Corporation Ltd (**GICL**), an unrelated party of the Company, in conversion of the total amount of US$1,110,000 (being, AU$1,606,600[5]) owing to GICL under the GICL Loan. Refer to Section 9.2.3 for further detail regarding the terms and conditions of GICL Loan.

(iii) **WPF Loan**: Subject to Shareholder approval, the Company will issue 10,146,790 Shares at a deemed issue price of $0.086 per Share to Wilson's Pipe Fabrications Pty Ltd (an entity controlled by Director, Mr Michael Wilson) (**WPF**) in conversion of approximately $1,472,624 of the total amount owing to WPF under the WPF Loan. The balance of the amount owing to WPF under the WPF Loan of $600,000, will be repaid by the Company in cash from proceeds of the Public Offer. Refer to Section 9.2.4 for further detail regarding the terms and conditions of WPF Loan.

(d) **Forgiveness of CAHL Loan**

The forgiveness of a total amount of US$1,950,000 owing to China Automotive Holdings Limited (an entity controlled by Director, Mr Richard Siemens) (**CAHL**) pursuant to the Deed of Debt Forgiveness entered into between the Company and CAHL. Refer to Section 9.2.5 for further detail regarding the Deed of Debt Forgiveness.

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[4] Using a foreign exchange rate of 1.4571 as at 30 June 2020.

[5] Based on the foreign exchange rate agreed between the parties.

6.10 Notes to Pro-forma Consolidated Statement of Financial Position of Sprintex Group and Proreka Sprintex as at 30 June 2020

	Sprintex Group	Proreka Sprintex Sdn. Bhd.	Sprintex Group post-Recapitalisation
	Audited	**Audited**	**Unaudited**
	Actual	**Actual**	**Pro-forma Consolidated**
	30 June 2020	**30 June 2020**	**30 June 2020**
	AU$	**AU$**	**AU$**
Note 1: Cash and Cash Equivalents			
Cash and cash equivalents	146,260	6,645	152,905
Repayment of WPF loan	-	-	(600,000)
Lidx additional funding post 30 June	-	-	300,000
Cash payments made	-	-	(300,000)
Proceeds from Placement	-	-	6,500,000
Costs of the Offer	-	-	(559,869)
	146,260	**6,645**	**5,493,036**
Note 2: Borrowings			
Borrowings	(6,246,151)	(5,497,019)	(11,743,170)
CAHL loan forgiveness	-	-	2,822,407
WPF loan conversion	-	-	872,624
WPF loan repayment	-	-	600,000
GICL loan conversion	-	-	1,606,600
Lidx additional funding and fee post 30 June 2020	-	-	(330,000)
Lidx loan conversion	-	-	605,000
Proreka Sprintex inter-company loan written-off	-	-	5,497,019
	(6,176,631)	**(5,497,019)**	**(69,520)**
Note 3: Contributed equity			
Contributed equity	56,477,246	3,318,608	56,477,246
GICL loan conversion	-	-	1,606,600
WPF loan conversion	-	-	872,624
Issue of shares on acquisition of Proreka Sprintex	-	-	364,272
Lidx loan conversion and finance charge paid in shares	-	-	605,000
Placement shares issued	-	-	6,500,000
Share issue costs	-	-	(399,750)
	56,477,246	**3,318,608**	**66,025,992**

	Sprintex Group	Proreka Sprintex Sdn. Bhd.	Sprintex Group post-Recapitalisation
	Audited	**Audited**	**Unaudited**
	Actual	**Actual**	**Pro-forma Consolidated**
	30 June 2020	**30 June 2020**	**30 June 2020**
	AU$	**AU$**	**AU$**
Note 4: Accumulated losses			
Accumulated losses	(63,904,352)	(8,616,825)	(63,904,352)
Expenses paid with Lidx Loan received post 30 June 2020	-	-	(110,000)
Finance charge in respect of the Lidx Loan	-	-	(30,000)
Proreka Sprintex inter-company loan written off	-	-	5,497,019
CAHL loan forgiveness	-	-	2,822,407
Loss on acquisition of Proreka Sprintex	-	-	(5,793,452)
Share issue costs	-	-	(160,119)
	(63,904,352)	**(8,616,825)**	**(61,678,497)**

6.11 Summary of Significant Accounting Policies

The following significant accounting policies, which are consistent with the recognition and measurement requirements of Australian Accounting Standards and Interpretations, have been applied in the preparation and presentation of the Financial Information presented in this Section 6.

(a) Basis of Preparation

This Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards, International Financial Reporting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. This Financial Information has been prepared on an accruals basis and is based on historical costs. All amounts are presented in Australian dollars, which is the Company's functional currency, unless otherwise noted.

The Financial Information has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The principal accounting policies adopted in the preparation of the Financial Information are set out below.

(b) **New, revised or amending Accounting Standards and Interpretations adopted**

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

(i) **AASB 16 Leases**

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

There was no impact on recognition in the statement of financial position as a result of the adoptions.

(ii) **AASB 9 Financial Instruments**

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit and loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss is available. The directors have determined that there is no material financial impact from the implementation of this standard, other than disclosure requirements and accounting policy terminology.

(iii) AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principal of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customers payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. The directors have determined that there is no material financial impact from the implementation of this standard, other than disclosure requirements and accounting policy terminology.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sprintex Limited ('Company' or 'Parent Entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Sprintex Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated entity' or 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(d) **Operating segments**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team.

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.

(e) **Foreign currency translation**

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the reporting date. All exchange differences in the financial report are taken to the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

The Statements of Profit or Loss and Other Comprehensive Income for Proreka Sprintex have been translated using the average daily AUD to MYR exchange rate over the relevant period.

(f) **Revenue recognition**

The consolidated entity recognises revenue as follows:

(i) **Sale of goods**

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

(ii) **Interest**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(g) **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

(i) when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

(ii) when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

(h) **Other taxes**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST") except:

(i) where the GST on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables are stated with amounts of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments or contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) **Loss per share**

(i) **Basic loss per share**

Basic loss per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) **Diluted loss per share**

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(j) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(k) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity date of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing liabilities in current liabilities on the statement of financial position.

(l) Trade and other receivables

Trade receivables, which generally have 0-30 day terms are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(m) **Inventories**

Inventories are valued at the lower of cost or net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials – purchase cost on a first in, first out basis.

Finished goods and work in progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Costs are assigned on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(n) **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

(i) **Financial assets at fair value through profit or loss**

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

(ii) **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

(iii) **Impairment of financial assets**

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(iv) **Recognition and de-recognition**

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

(v) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after reporting date, which are classified as non-current.

(o) **Joint arrangements**

Joint arrangements are classified as either a joint operation or a joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the investment is accounted for using the equity method. To the extent the joint arrangement provides the Group with rights to the individual assets and obligations arising from the joint arrangements, the Group recognises its share of assets, liabilities, revenues and expenses of the operation.

The Company has an investment in a joint venture. The Company's investment in the joint venture is accounted for using the equity method of accounting as the joint venture provides the Group with rights to the net assets of the joint venture.

Under the equity method, investments in a joint venture are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the joint venture. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Company determines whether it is necessary to recognise any impairment loss with respect to the Company's net investment in joint ventures. Goodwill included in the carrying amount of the investment a joint venture is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset. If impairment is recognised, the amount is not allocated to the goodwill of the joint venture.

The Company's share of the joint venture's profits or losses is recognised in the statement of comprehensive income, and its share of movement in reserves is recognised in reserves. The cumulative movements are adjusted against the carrying amount of the investment. Dividends receivable from joint ventures are recognised in the Company's statement of comprehensive income as a component of other income.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in its joint venture. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the "share of profit of joint arrangements" in the consolidated statement of comprehensive income.

When the Company's share of losses of a joint venture equals or exceeds its interest in the joint venture, including any unsecured long-term receivables and loans, the Company does not recognise further losses, unless it has an incurred obligations or made payments on behalf of the joint arrangement.

The reporting dates of the joint venture and the Company are identical and the joint venture's accounting policies conform to those used by the Company for like transactions and events in similar circumstances.

(p) Property, plant and equipment

(i) Recognition

Plant and equipment and leasehold improvements are carried at cost, less accumulated depreciation/amortisation and any impairment in value. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Land and buildings are measured at fair value, based on periodic but at least triennial valuations by external independent valuer who apply the International Valuations Standards Committee's International Valuation Standards, less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

(ii) **Depreciation and amortisation**

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset as follows:

(A) Plant and Equipment: 15%

(B) Engineering Equipment and Software: 15%-37.5%

(C) Furniture and Office Equipment: 7.5%-37.5%

(D) Motor Vehicles: 18.75%

(E) Leasehold Improvements: 30%

(F) The assets' residual values, useful lives and amortisation method are reviewed, and adjusted if appropriate, at each financial year end.

(iii) **Revaluations of land and buildings**

Any revaluation increment is credited to the asset revaluation reserve included in equity, except to the extent that it reverses a revaluation decrement for the same asset previously recognised in profit or loss, in which case the increment is recognised in profit or loss. Any revaluation decrement is recognised in profit or loss, except to the extent that it offsets a previous revaluation increment for the same asset, in which case the decrement is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in the profit or loss within the statement of profit or loss and other comprehensive income.

Upon disposal or de-recognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

(iv) **De-recognition**

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(q) **Rights-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(r) **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(s) **Impairment of non-financial assets other than goodwill**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

At each reporting date, management assess whether there is any indication that an asset may be impaired, where an indicator of impairment exists, management makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash- generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

(t) **Intangibles**

(i) **Intangibles**

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill above. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

(ii) **Research and development costs**

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

(iii) **Patents**

The Company's intangible asset represents acquired intellectual property – patents are amortised over the remaining life on a straight line basis.

(u) **Trade and other payables**

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(v) **Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(w) **Borrowing costs**

Borrowing costs are recognised as an expense when incurred, except where they are directly attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale), in which case they are capitalised as part of the cost of that asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Company does not currently hold qualifying assets.

(x) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under and insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(y) **Service warranties**

Provision is made for the estimated liability on all products still under warranty at reporting date. The amount of the provision is the estimated cash flows expected to be required to settle the warranty obligations and is calculated based on a percentage of sales. The provision is not discounted to its present value as the effect of discounting is not material.

(z) **Employee leave benefits**

(i) **Wages, salaries, annual leave and non-monetary benefits**

Provision is made for the employee benefits accumulated as a result of the employee rendering services up to the reporting date. These benefits including on costs due to be settled within one year, together with benefits arising from wages and salaries, annual leave and non-monetary benefits which will be settled after one year, are measured at their nominal amounts based on remuneration rates which are due to be paid when the liability is settled.

(ii) **Long service leave**

Long service leave including on costs, payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) **Retirement benefit obligations**

The Company contributes to various superannuation plans in accordance with and at rates set down by law. Some employees contribute to these plans at differing percentages of their salaries.

The Company's contributions and costs are charged as an expense as incurred.

(aa) **Share based payment transactions**

The Company provides incentives to the key management personnel (KMP) of the Company in the form of share based payment transactions, whereby KMP render services in exchange for shares or rights over shares ("equity settled transactions").

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. An external valuer using Black Scholes model determines the fair value, which takes into account the factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share, the expected life of the option, and any barriers associated with vesting.

The fair value of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the option ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting reflects:

(i) the grant date fair value of the award,

(ii) the extent to which the vesting period has expired, and

(iii) the number of options that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition.

Where the terms of an equity settled option are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity settled option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option, and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as if they were a modification of the original option, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Equity-settled share-based payments transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(bb) **Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its Business and activities are set out in Part E of the Investment Overview (Section 3). Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

7.2 Company Specific Risks

Risk Category	Risk
Reinstatement risk	The Company is required to satisfy the Reinstatement Conditions for reinstatement of the Company's Shares to Official Quotation on the ASX (details of the Reinstatement Conditions are set out in Schedule 1 of this Prospectus). There is a risk that the Company may not be able to meet the Reinstatement Conditions and should this occur, the Company will be removed from trading on the Official List and the Company's Securities will be delisted. Following a delisting, there may be little to no market for the Company's Shares. In this instance, the Company would immediately withdraw the Offers.
Going concern risk	While completing the audit review of the Company's financial report for the year ended 30 June 2020, the Company's auditor noted the following:

Risk Category	Risk
	"The consolidated entity incurred a loss of $2,834,549 (2019: $2,938,035) and had operating cash outflows of $1,014,576 (2019: $1,367,504) for the year ended 30 June 2020. The consolidated entity is dependent upon the successful completion of the Recapitalisation and restructuring transaction which is detailed within the subsequent events at note 26 in the financial report. These conditions, along with other matters as set forth in note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business." Notwithstanding the 'going concern' note included in the financial report for the year ended 30 June 2020, the Directors and Proposed Directors believe that upon the successful completion of the Public Offer and Recapitalisation, the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. In the event that the Public Offer is not completed successfully and reinstatement to trading does not occur, there is significant uncertainty as to whether the Company can continue as a going concern, and this is likely to have a material adverse effect on the Company's activities.
Qualified opinion risk	The Company's auditor included a qualification in its audit opinion for the year ended 30 June 2020. The qualification relates to the inability of the auditor to obtain sufficient and appropriate audit evidence in relation to the Company's share of the loss in its joint venture entity (Proreka Sprintex) during the audit of the financial report for the year ended 30 June 2019. For that reason, it is obliged under the accounting standards to qualify its audit opinion in its report for the year ended 30 June 2020 in relation to opening balances. However, the Company's notes that because the opening balances of the joint venture entity in the 30 June 2020 accounts are "nil" (by virtue of such amounts having being written-off in the 2019 financial year), the Directors and Proposed Directors consider that the financial impact of the qualification is also nil (refer to note 12 of the Company's audited accounts for the financial year ended 30 June 2020 for further detail).
Research and development risks	The Company can make no representation that any of its research into or development of new technologies or products will be successful, that any development milestones will be achieved, or that the products will be developed into products that are commercially exploitable.

Risk Category	Risk
	There are many risks inherent in the development of products in the automotive sector, particularly where the products are in early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons. Whilst the Company will continue product development and research on automotive technologies, and the use of substitute materials and processes used in the manufacture of its products, there is a risk that the development of new products will require costs beyond those budgeted and even if developed, there is no guarantee that the products can be successfully commercialised or exploited.
Manufacturing risk	The Company regularly applies its technologies to products and applications that require the technology to be manufactured to a standard and at a cost acceptable to the industry, regulators and partners. There can be no guarantee that suitable manufacturers, manufacturing processes, techniques and materials can be found to a standard, cost or quality acceptable to the industry, market or partners. The Company has established manufacturing facilities in Malaysia in conjunction with its joint venture partner, AutoV. As part of the proposed Recapitalisaton, Proreka Sprintex (the Malaysian joint venture entity) will become a wholly owned subsidiary of the Company. This subjects the Company to associated regulatory, political and exchange rate risks. Whilst the Company has experience of operating in Malaysia, the Directors and Proposed Directors have identified an experienced and qualified director who is resident in Malaysia (a former director of AutoV and of Proreka Sprintex), to serve as a director of the Malaysian entity, to assist in mitigating the risks associated with operating in a foreign jurisdiction. In addition, the Company notes that Proreka Sprintex is staffed entirely by experienced Malaysian nationals, reducing risks associated with maintaining ex-pat staff in a foreign jurisdiction.
Premises risk	The Company's production facility is located in Malaysia and was commisioned in 2013. Whilst the Company owns the equipment and machinery comprising the manufacturing facility, the Company's lease of the building where the equipment and machinery terminates on 31 December 2020 (although there is an option to extend the tenacy for a further period of 2 years). If the lease arrangement was terminated by the lessor or the option to renew the tenancy refused by the lessor (by virtue of the Company being in breach of its obligations under the lease arrangement for example), the Company would need to relocate its manufacturing equipment and machinery and locate a suitable alternative premises for its operations. There is no guarantee that the Company

Risk Category	Risk
	would be able to locate a sutiable premises in a short period of time, or at all. Any delay would have an adverse effect on the Company's ability to produce its supercharger units and meet purchase orders/ sales demand for its products. Further, this would likely result in delays of delivery of products to the Company's distribution and final assembly facility in Michigian in the USA, where the Company's twin screw supercharger units undergo final assembly, and are distributed to Canadian and North American markets. In addition, the Company notes that it currently renting its research and development base in Perth, Western Australia and its shared distribution and final assembly facility in Michigian in the USA on a month to month basis. Termination of these lease arrangements is also expected to have an adverse effect on the Company's operations and financial position. The Company mitigates this risk by maintaining good relationships with the lessors and will look to formalise longer term lease arrangements following completion of the Recapitalisation.
Final assembly risk	Managed Programs LLC (**MPI**) supplies the Company with manifolds on a purchase order basis. The manifolds are an integral part of the supercharger units that the Company produces and of the proposed new JL supercharger system. Once the twin screw supercharger units arrive at the Company's distribution and final assembly facility in Michigian in the USA, the Company's twin screw supercharger units undergo final assembly with the manifold. If MPI is unable or unwilling to supply the manifolds to the Company and the Company is unable to identify a suitable alternative supplier, this may result in production delays and lead to an inability of the Company to maintain supply, or produce new products which may have a negative impact on the Company's future operations, cash flows and viability. The Company notes that is in the process of settling an outstanding amount owing to MPI for unpaid development costs (refer to the use of funds table at Section 5.11 for further detail). Following which, the Company believes the risk of MPI being unable or unwilling to supply the manifolds to the Company is low.
Automotive industry risk	Changes in vehicle production volumes in markets where the Company operates and/or changes in the operations, financial condition or market share of the Company's customers may have an adverse effect on the Company.

Risk Category	Risk
Vehicle affordability risk	The performance of the automotive retail industry is in part dependent on the general affordability of vehicles. The Company's financial performance could be adversely affected if the affordability of vehicles is reduced as a result of the increased cost of vehicle manufacturing, increased interest rates, and/or the effect of exchange rate fluctuations.
Product liability and uninsured risks	The Company may be exposed to potential product liability risks, which are inherent in the research and development, manufacturing, marketing and use of products in the automotive sectors. It will be necessary to secure insurance to help manage such risks. The Company may not be able to maintain insurance for product or service liability on reasonable terms in the future. In addition, the Company's insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims.
Joint venture parties, agents and contractors tisk	The Directors and Proposed Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The Company is presently in a joint venture with AutoV, however upon completion of the Recapitalisation, the joint venture entity (Proreka Sprintex) will become a wholly owned subsidiary of the Company and the joint venture agreement between the Company and AutoV will terminate.
Licensing and marketing risks	The Company may need to have a strategy to license new products in the early phases of their development to licensees that are able to complete commercialisation of its products. There is no guarantee that suitable licensees will be identified.
Reputation risk	The Company considers its reputation for trust and integrity important in maintaining ongoing customer goodwill. A range of events such as a product recall for safety reasons or a product failure causing an incident or accident resulting in end–user death or serious injury could have a material adverse impact on the Company's reputation.
Protection of Intellectual Property Rights	Securing intellectual property rights, in particular patents, is an integral part of securing potential product value from the outcomes of research and development. Competition in retaining and sustaining protection of intellectual property rights and the complex nature of automotive products can lead to expensive and lengthy patent disputes for which there can be no guaranteed outcome. The commercial value of the Company's intellectual property is dependent on legal protections. These legal

Risk Category	Risk
	mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Because the patent positions of companies with investments in automotive parts can be highly uncertain, and frequently involve complex legal and scientific evaluation, neither the breadth of claims allowed in patents nor their enforceability can be predicted. There can be no assurance that any patents the Company may own or control or license in the future will afford commercially significant protection of the technologies, or that any of the projects that may arise from the technologies will have commercial applications. It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.
Expansion and growth risk	Following completion of the Recapitalisation, the Company plans to increase the sale of its products. There is a risk that there may not be sufficient demand to allow an increase in sales which will adversely affect the Company's financial performance. In addition, to achieve its growth objectives, the Company may be required to continue to invest in its operational, information and financial systems, procedures and controls. Whilst the Proposed Directors and existing management have extensive experience in managing and implementing growth strategies, the inability to implement the growth strategies outlined in this Prospectus may impact the future financial performance of the Company. There can also be no assurance given that there will be no detrimental impact on the Company if one or more of the Proposed Directors or management employees ceases their employment in the period following Reinstatement.
Competition	The automotive vehicle industry in which the Company operates is subject to competition. Current or future competitors may come up with new, better or cheaper products and solutions. The Company's competitors

Risk Category	Risk
	include both small and medium enterprises and large, established corporations or multinationals. Those may decide to enter the Company's target markets and be able to fund aggressive marketing strategies. They may also have stronger financial capabilities than the Company which may negatively affect the operating and financial performance of the business.
Reliance on key personnel	The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems.
COVID-19 risk	The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders. The Company has revised its sales targets for the current financial year based on the expected effects of the COVID-19 pandemic and has budgeted for a minimum of $1,000,000 cash reserve to accommodate delays encountered, however the ongoing effects of the pandemic on the Company's operations outside Australia are difficult to predict and may cause additional risk to the company's future viability. The Company has implemented a wide range of strategies to mitigate the risks posed by COVID-19. The Company began implementing specific COVID-19 OHS policies in early March to ensure that risk around COVID-19 is minimised for all employees and contractors. These measures included the adoption of hygiene, health and work practice advice from relevant state and federal governments across its global operations. The Company's head office staff located in Perth, Western Australia moved to a work-from-home basis, and rostering of staff working in the office, as and when required, from mid-

Risk Category	Risk
	March 2020 until mid-May 2020, when the office was re-opened. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Public Offer, the Company will notify investors under a supplementary prospectus.
Sovereign risk - Malaysia	The Company is reliant on its manufacturing facility in Malaysia however the Directors and Proposed Directors believe the sovereign risk in Malaysia to be relatively low. Notwithstanding the low sovereign risk, the Company proposes to appoint a local resident director to the board of Proreka Sprintex to provide oversight to the Company's operations in Malaysia following completion of the Recapitalisation. Additionally, the Company also believes the risks presented by COVID-19 in Malaysia are currently relatively low. As at the date of this Prospectus, the Malaysian manufacturing facility is able to operate and Malaysia has recently re-opened its borders to qualified business travellers.

7.3 Industry Specific Risks

Category of Risk	Risk
Procurement and manufacturing risks and processes	A number of the Company's suppliers are subject to the risks associated with operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability, and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licensing, export duties, repatriation of income or return of capital, environmental protection, safety, and labour relations, as well as government control over properties, or government regulations that require the employment of local staff or contractors, or require other benefits to be provided to local residents. Any future material adverse changes in government policies or legislation in Australia, Malaysia, China, Africa, the Middle East, Europe or the United States of America or in the Company's relationship with a supplier in one of these countries may affect the viability of the Company and its operations. Failures of equipment and machinery may result in production delays and lead to an inability of the Company to maintain supply which may have a negative impact on the Company's future operations, cash flows and viability.
International	International sales and operations are subject to a number

Operations	of risks, including: (a) potential difficulties in enforcing agreements and collecting receivables through foreign local systems; (b) potential difficulties in protecting intellectual property; (c) increases in costs for transportation and shipping; and (d) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes. Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.
Distribution Arrangements	The nature of the Company's business is such that the Company generally relies upon relationships with third parties such as dealers and distributors to sell its products on a purchase order basis. Further, sales are often made on a one-off or limited quantity basis. Accordingly, such sales are not typically made on a long-term basis or pursuant to formal distribution agreements. Until the Company reaches an optimum size to commence wholesaling directly to retailers, the success of the Company's operation depends on the Company's ability to maintain existing partnerships, and secure new, distribution arrangements on favourable terms. Currently, the Company has only a small number of formal distribution arrangements in place, two of which are fulfilled on a purchase order basis. This means that the Company is subjected to risks associated with the purchase order business model including, those associated with reduced long-term certainty for the sale of the Company's products (in particular, in respect of the quantity and frequency of sales). Following completion of the Offers, the Company will seek to secure ongoing distribution agreements with third parties, particularly in the OEM market, to allow the Company to have more certainty regarding the sale of the Company's products. However, no assurance can be given that the Company will be able to successfully negotiate new distribution arrangements on favourable terms or at all. Further, no assurance can be given that the Company will be able to continue selling its products under the existing distribution or purchase order basis arrangements. The Directors are unable to predict the risk of financial failure or default by a distribution agent which the Company has appointed or may appoint in the future.
Contractors and Service Providers	The Directors are unable to predict the risk of financial failure, default, insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

Strategic Alliances	The Company may in the future seek to enter into strategic alliances with third parties, some of which may be corporations larger than the Company. There is a risk in managing strategic alliances and partnerships with large corporations. Should other participants in any strategic alliance not act in the best interests of the Company, this may have a material adverse effect on the Company's operations. The Directors are unable to predict the risk of financial failure or default by a participant in any strategic alliance to which the Company may become a party.
Market acceptance	The global marketplace for most products is ever changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns. Accordingly, there is a risk that the Company may not be able to commercialise its new products or to retain a viable market for existing products, which could adversely impact the Company's operations.
Inability to meet customer demand	For any number of reasons, the Company may not, from time to time, have an adequate supply of products to meet customer demand which may cause it to be unable to fulfil orders or to lose sales. Such inability to meet customer demand from time to time may arise if the Company's sales growth accelerates substantially or in the event that its distribution and retail network grows substantially.
Loss of customers	The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.
Product liability	As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.
Disputes	The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes. Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date hereof.

Litigation	The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Other than as set out in Section 10.1, the Company is not currently engaged in any litigation.
Data loss, theft or corruption	The Company stores all data, which includes both operational, informational and accounting data, in the "Cloud", reducing the risk on the data from the resilience and security of its own systems and networks. In the past, exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have had a material adverse effect on the Company's business, financial condition and results. This risk has now been minimised. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers. The Company has not been hacked, but it is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.
Foreign exchange	The Company operates in a variety of jurisdictions, including, without limitation, Australia, the United States of America and Malaysia, and as such, the majority of the Company's sales, purchases and production are outside of Australia and are denominated in currencies other than Australian dollar. Any fluctuations in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company. Further, the Company has decided to not put in place any hedges in relation to foreign exchange. This may result in the Company being exposed to exchange rate risk, which may have an adverse impact on the profitability or financial position of the Company. However, the Company sources the majority of its raw materials and parts in US dollars and with the exception of Australia, sells its products based on US dollar pricing, significantly reducing risks attributed to foreign exchange variations.
Insurance coverage	The Company faces various risks in conducting its business and insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover.

	The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. The Company maintains workers compensation insurance for its employees, as well as directors and officer's liability insurance and motor vehicle insurance. However, the Company does not currently maintain business interruption insurance, product liability insurance or insurance against claims for certain property damage (or any other form of insurance). The Company's joint venture entity, Proreka Sprintex, maintains public liability, equipment (forklift), fire and burglary insurance. In addition, the Company's US subsidiary, Sprintex USA Inc. maintains general business, property and employment practices liability insurance and vehicle fleet auto insurance. If the Company or any of its subsidiaries incur substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company Group's financial position and financial performance may be adversely affected. The Directors consider that the Company has sufficient insurance policies in place in respect of the Company's business and assets as at lodgement of the Prospectus, however, intend to review such insurances following completion of the Recapitalisation. Notwithstanding this, the occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.
Regulatory risks	The introduction of new legislation or amendments to existing legislation or regulation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions that govern the Company's current or future operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, financial performance of the Company.
Emissions standards	Currently, the Company's main product lines are certified in accordance with CARB requirements. Whilst California is recognised as adopting the most stringent emission standards in the world for both vehicle emissions and industrial pollutants, the Company does not maintain certification elsewhere, meaning that in some jurisdictions testing may be required by vehicle licencing authorities to demonstrate emissions compliance. However, the Company notes that it does not consider this risk to be material as majority of the Company's sales are based on US models that require CARB and EPA approval (for which the Company has obtained) and CARB is recognised as being the most stringent emissions standards.

	There is no guarantee that the Company will be able to continue to certify its products pursuant to CARB. Any change in regulation that resulted in the Company being unable to comply with CARB requirements would have material adverse effect on the sale of the Company's products in the USA and the Company's financial position.

7.4 General Risks

Category of Risk	Risk
Additional requirements for capital	The funds raised under the Public Offer are considered sufficient to meet the objectives of the Company. However, the Company's capital requirements depend on numerous factors and the Company may require further financing in addition to amounts raised under the Public Offer in the event costs exceed the Company's estimates, to effectively implement the Company's business and operational plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities or to meet any unanticipated liabilities or expenses, which the Company may incur. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back, delay or indefinitely postpone its research and development programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Economic conditions and other global or national issues	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.
Market conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) (interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and

Category of Risk	Risk
	(f) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and on specific stocks such as technology stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Further, the value of the Shares may fluctuate more sharply than that of other securities, given the pricing of the Shares offered under the Public Offer, and the fact that an investment in the Company is highly speculative.
Price of Shares	As a publicly-listed company on ASX, the Company is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its Share price. The price at which Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Public Offer price. There is no assurance that the price of the Shares will increase or not decrease following the commencement of quotation on ASX, even if the Company's earnings increase.
Taxation risk	The acquisition and disposal of Securities will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.

7.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative. There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Directors

The Board is currently comprised of the following Directors:

(a) Mr Richard Siemens – Non-Executive Chairman;

(b) Mr David White – Non-Executive Deputy Chairman;

(c) Mr Michael Wilson – Non-Executive Director;

(d) Mr Richard O'Brien – Non-Executive Director; and

(e) Mr Raymond Lau – Non-Executive Director.

The resignation of the current Board of Directors will take effect upon reinstatement of the Company's securities to trading on the Official List.

8.2 Proposed Directors

Upon reinstatement of the Company's securities to trading on the Official List, the Board of the Company will consist of the following:

(a) Mr Wayne Knight

Proposed Non-Executive Chairman (Independent)

Mr Knight has over 30 years' experience working as a financial adviser in the financial services industry. He provides advice on creating financial security through personal and business risk protection and provides services in the areas of personal superannuation planning, managed investments, rollover and redundancy planning, wealth creation and insurances.

Mr Knight has listed company experience, having been a director of Jadar Resources Limited (ASX:JDR) between 4 December 2007 to 21 December 2017. During this period, Mr Knight undertook non- executive director duties.

Mr Knight has no current external directorships and has not held any other directorships (other than Jadar Resources Limited (ASX:JDR) (**Jadar**)) in the past three years. During Mr Knight's tenure at Jadar, Jadar entered into a deed of company arrangement.

Mr Knight is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

(b) My Jude (Jay) Upton

Proposed Managing Director (Not Independent)

Mr Upton has a broad range of business managerial and technical engineering experience gained over a 20-year period working in the international automotive industry where he has amassed a network of international industry contacts. Prior to this, Mr Upton gained a further 20 years' experience in engineering management in the heavy mobile equipment sector and in both industrial and automotive high-performance engine engineering.

From 2011-2016, Mr Upton was the Chief Technology Officer of the Company and in 2019, was the Technical Consultant. During this period, Mr Upton was responsible for all technical development within the Company and is recognised as the inventor on two international supercharger patents assigned to the Company. In addition, during this period, Mr Upton performed technical presentations to, and commercial negotiations with, vehicle manufacturers in ASEAN, China, Japan, USA, Europe and Australia. He also worked with the Managing Director on business strategy, corporate presentations and capital raisings.

From 2012 to 2017, Mr Upton was employed at Proreka Sprintex (a 50% owned subsidiary of the Company) and was instrumental in both the selection of the location for Sprintex's offshore manufacturing and the establishment of Proreka Sprintex. Working closely with the CEO of AutoV (the Company's Joint Venture partner and the other shareholder of Proreka Sprintex), Mr Upton oversaw the selection and procurement of the manufacturing equipment and the building of the manufacturing facility in Malaysia.

Mr Upton was Director of Business Development of the Company from 2007 to 2011. He was responsible for the establishment and setup of Sprintex USA Inc. (a wholly owned subsidiary of the Company) and acted as secretary of Sprintex USA Inc. for regulatory purposes.

Mr Upton oversaw market development in the USA, Middle East, South Africa and China and was responsible for commercial agreements with OEMs, suppliers, distributors and dealers in multiple jurisdictions.

Prior to this, from 2004-2007, Mr Upton was the General Manager of the Company at which time he was responsible for the initial setup of the operations and for day to day management of all operational and technical functions. From 2000-2004, Mr Upton was the General Manager of the Automotive Division of Advanced Engine Components Limited (know known as Ookami Limited) where he carried out the day to day management of both Sprintex and Bullet Supercars (Qld), including overseeing emissions and full vehicle compliance of a high-performance sports car for Australian production.

Mr Upton has no current external directorships and has not held any directorships in the previous three years.

(c) Mr Li Chen
Proposed Non-Executive Director (Independent)

Mr Chen has over 6 years' experience from an engineer to a managing director in mechatronics research and development, business development, project management, scheduling, budget control and resource planning. With a degree in Mechanical Engineering from University College London, Mr Chen also qualified as a Senior New-energy Engineer (Ministry of Industry and information Technology, China). Mr Chen is fluent in Chinese and English.

During his appointment as Project Researcher for the Chinese Academy of Sciences (Ningbo Institute) between 2015 to 2016, Mr Chen conducted research for composites material fabrication technique, designed and built robotic spray process for composite vehicle body parts and coordinated carbon car body design project. More recently, Mr Chen has been focused on strategic planning and building strategic relationships with global Tier-1 automotive components suppliers involving joint venture and licensed production and fundraising for business scaling at Aeristech Limited and technology outsourcing and overseeing (focusing on high-speed electric compressor and motor drive) at Lidx Technology Limited (a Hong Kong based technology investment company).

Currently, Mr Chen is a director of Aeristech Limited (an entity incorporated in the United Kingdom who through its Chinese subsidiary, specialises in supply chain and business development in China for the patented high tech eSuperchargers and Fuel Cell Compressors made by Aeristech) and Lidx Technology Limited (which also has a mainland China research arm, that conducts technology outsourcing service for industrial clients and has previously introduced and implemented electric supercharger and 48V electric auxiliaries' technology from UK tech companies to leading Chinese commercial vehicle OEMs for their hybrid bus and truck projects).

Mr Chen has no current external directorships and has not held any directorships in the previous three years.

Mr Chen is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

(d) Mr Steven Apedaile
Proposed Non-Executive Director (Independent)

Mr Apedaile has worked in the accounting profession for nearly 30 years, 25 years of which were spent in Hong Kong with the first 7 years with KPMG HK and then 18 years with Horwath HK. In his position as Senior Audit Partner, Mr Apedaile's experience included management advice, risk analysis, strategic planning, public listings, forensic accounting, M&A and general business advice. Mr Apedaile served on the Member Review Committee of Horwath International for 3 years performing quality control and risk assessments on a number of Asian based member firms. Mr Apedaile also served for two terms (2 years) on the Hong Kong Society of Accountants Audit Standards Review Committee.

From 2005 to 2013, Mr Apedaile was the Chairman and then Managing Director of the Company. As Managing Director, Mr Apedaile's key achievements were to list the company on the ASX and to establish a joint venture manufacturing facility in Malaysia with AutoV.

From 2002 to 2005, Mr Apedaile specialised in forensic accounting and established Horwath Matrimonial to provide services to solicitors and their clients to assist in the identification of the total matrimonial estate both from an asset and income point of view. Mr Apedaile is the Managing Director of Sirius Corporate Services (HK) Limited with offices in Hong Kong, Melbourne and Perth.

Mr Apedaile has acted as an expert witness and acted as a single and joint expert in a number of family law assignments involving business valuations, asset tracking and recovery, expenditure analysis and Duxbury calculations and advising on business, partnership and shareholder disputes.

Mr Apedaile is a Non-Executive Director of Nanoveu Limited (ASX: NVU). Nanoveu develops and commercialises Nano-imprint science products. Its first product, EyeFly3D, enables 3D images and videos to be viewed on smart phones and tablets. Nanoveu listed on the ASX in November 2018.

Mr Apedaile is a Fellow member of the UK Institute of Chartered Accountants in England and Wales and is a Member of the Australian Institute of Company Directors.

As set out above, Mr Apedaile is currently a director of Nanoveu Limited (ASX: NVU). Mr Apedaile has not held any other directorships in the previous three years.

Mr Apedaile is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

8.3 Key Management

Mr Robert Molkenthin
Company Secretary and Chief Financial Officer

Mr Molkenthin has held a variety of positions throughout his career and has over 25 years' experience in Australia and internationally in a wide range of business environments at all levels in corporate finance and business operations and has, more recently, acted as a Consultant to a number of companies in the real estate, legal and energy markets. Previous experience encompasses capital raising, initial public offerings and corporate restructuring in the engineering, mining, property and retail sectors.

The Company is aware of the need to have sufficient management to properly supervise its operations, expansion and research and development, and the Board will continually monitor the management roles in the Company. The Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management oversight of the Company's activities.

8.4 Disclosure of Interests

Remuneration

Other than as set out below, the Directors and Proposed Directors did not receive any remuneration from the Company for the financial years ended 30 June 2019 and 30 June 2020. Further, the Directors will not receive any remuneration for the financial year ending 30 June 2021. Details of the proposed remuneration of the Proposed Directors for the financial year ending 30 June 2021 is set out below:

Name	Remuneration for the year ending 30 June 2021	Remuneration for the year ended 30 June 2020	Remuneration for the year ended 30 June 2019
Director[1]			
Richard Siemens	Nil	Nil	Nil
David White	Nil	Nil	Nil
Michael Wilson	Nil	Nil	Nil
Richard O'Brien	Nil	Nil	Nil
Raymond Lau	Nil	Nil	Nil
Proposed Director[2][3]			
Wayne Knight	$52,560[4]	Nil	Nil
Jude (Jay) Upton	$240,000[5]	Nil	$144,000[6]
Li Chen	$40,000[4]	Nil	Nil
Steven Apedaile	$40,000[4]	Nil	Nil

Notes:

1. The resignation of the Directors will take effect upon the reinstatement of the Company's securities to trading on the Official List.
2. Subject to Shareholder approval to be obtained at the General Meeting, each of the Proposed Directors will be appointed on reinstatement of the Company's securities to trading on the Official List.
3. The Proposed Directors' remuneration for FY ending 30 June 2021 will be pro rata of the amounts in the table, from the date that the Proposed Directors appointment becomes effective, being from the date that the Company's securities are reinstated to trading on the Official List.
4. Inclusive of superannuation.
5. Consultancy fee paid to Top Fuel Promotions Pty Ltd (an entity controlled by Mr Jude (Jay) Upton)) (plus GST).
6. Fees paid (plus GST) pro rata to Mr Upton up to 31 December 2018 when Mr Upton's services as a Technical Consultant to the Company ceased.

Relevant Interests

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors and Proposed Directors have relevant interests in securities as follows:

Name	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Director				
Richard Siemens	61,822,000[1]	Nil	61.82%	61.82%
David White	235,169	Nil	0.24%	0.24%
Michael Wilson	15,166,090[2,3]	Nil	15.17%	15.17%
Richard O'Brien	512,687	Nil	0.51%	0.51%

Raymond Lau	681	Nil	0.00%	0.00%
Proposed Director				
Wayne Knight[4]	Nil	Nil	Nil	Nil
Jude (Jay) Upton[5]	47,844	Nil	0.05%	0.05%
Li Chen[6]	Nil	Nil	Nil	Nil
Steven Apedaile[7]	2,717,588	Nil	2.72%	2.72%

Notes:

1. Held indirectly by Citicorp Nominees Pty Ltd as nominee of China Automotive Holdings Limited (an entity controlled by Richard Siemens).
2. Comprising, 12,174,721 Shares held by Michael Wilson and Megan Joy Wilson, a and 2,991,369 Shares held by Michael John Wilson and Megan Joy Wilson <The Wilson Superannuation Fund>.
3. The Company obtained Shareholder approval to issue a further 10,146,790 Shares to WPF (an entity controlled by Director, Michael Wilson) in lieu of part conversion of the WPF Loan upon completion of the Recapitalisation (refer to Resolution 4 of the Notice).
4. The Company obtained Shareholder approval to issue 5,000,000 Options to Mr Wayne Knight (or as nominee) as part of his remuneration package upon completion of the Recapitalisation (refer to Resolution 11 of the Notice).
5. The Company obtained Shareholder approval to issue 7,034,883 Shares to Lidx in lieu of conversion of the Lidx Loan and in satisfaction of the Financing Charge upon completion of the Recapitalisation (refer to Resolution 2 of the Notice).
6. Comprising 10,909 Shares held by Jay Upton <Upton Family A/C> and 36,935 Shares held by Top Fuel Promotions Pty Ltd (an entity controlled by Jay Upton).
7. Comprising 2,386,297 Shares held by Steven James Apedaile and Michelle Lynda Apedaile <The Apedaile S/F A/C>, 217,856 Shares held by Steven James Apedaile and Michelle Lynda Apedaile <Apedaile Family A/C> and 113,308 Shares held by Steven James Apedaile and Michelle Lynda Apedaile <The Apedaile Super Fund A/C>.

Post-completion of the Recapitalisation (assuming Full Subscription is raised under the Public Offer, no Shares are issued under the Cleansing Offer and all of the Options are issued under the Options Offer) the Directors and Proposed Directors have relevant interests in securities as follows:

Name	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Director				
Richard Siemens	61,822,000[1]	Nil	28.69%	28.04%
David White	235,169	Nil	0.11%	0.11%
Michael Wilson	25,312,880[2]	Nil	11.75%	11.48%
Richard O'Brien	512,687	Nil	0.24%	0.23%
Raymond Lau	681	Nil	0.00%	0.00%
Proposed Director				
Wayne Knight	Nil	5,000,000[3]	0.00%	2.27%
Jude (Jay) Upton	47,844[4]	Nil	0.02%	0.02%
Li Chen	7,034,883[5]	Nil	3.26%	3.19%

Steven Apedaile	2,717,588[6]	Nil	1.26%	1.23%

Notes:

1. Held indirectly by Citicorp Nominees Pty Ltd as nominee of China Automotive Holdings Limited (an entity controlled by Richard Siemens).
2. Comprising, 12,174,721 Shares held by Michael Wilson and Megan Joy Wilson, 2,991,369 Shares held by Michael John Wilson and Megan Joy Wilson <The Wilson Superannuation Fund> (an entity controlled by Michael Wilson) and 10,146,790 Shares held by WPF (an entity controlled by Michael Wilson) (assuming completion of the Recapitalisation).
3. Comprising, 5,000,000 Options on the terms and conditions set out in Section 10.3 (assuming completion of the Recapitalisation and appointment of Mr Wayne Knight as Non-Executive Chairman).
4. Comprising 10,909 Shares held by Jay Upton <Upton Family A/C> and 36,935 Shares held by Top Fuel Promotions Pty Ltd (an entity controlled by Jay Upton).
5. Comprising, 7,034,883 Shares held by Lidx (an entity controlled by Mr Li Chen) (assuming completion of the Recapitalisation).
6. Comprising 2,386,297 Shares held by Steven James Apedaile and Michelle Lynda Apedaile <The Apedaile S/F A/C>, 217,856 Shares held by Steven James Apedaile and Michelle Lynda Apedaile <Apedaile Family A/C> and 113,308 Shares held by Steven James Apedaile and Michelle Lynda Apedaile <The Apedaile Super Fund A/C>.

The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is $300,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

8.5 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 9.3.

8.6 Corporate Governance

(a) ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board consider that the current Board (and the proposed Board following Reinstatement) is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.sprintex.com.au.

(b) **Board of directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

(i) maintain and increase Shareholder value;

(ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and

(iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

(i) leading and setting the strategic direction, values and objectives of the Company;

(ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;

(iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;

(iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;

(v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);

(vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;

(vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and

(ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

(i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

(ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The proposed Board will consist of four (4) Directors (three (3) non-executive Directors and one (1) executive Director) three of whom are considered independent. The Board considers that the balance of skills and expertise of the proposed Board to be appropriate given the Company for its currently planned level of activity.

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $300,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) **Audit committee**

Whilst the Company currently has a separate audit committee, upon completion of the Offers and reinstatement, the Company will not have a separate audit committee until such time as the Proposed Directors consider that the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. Following reinstatement, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

(i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;

(ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;

(iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and

(iv) management of the Company’s relationships with external auditors.

(k) Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company’s compliance and departures from the Recommendations will be announced prior to re-admission to the Official List of the ASX.

9. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors and Proposed Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

9.1 Lead Manager Mandate

The Company has entered into a mandate letter to engage Indian Ocean Corporate (ACN 142 266 279) (a corporate authorised representative of Indian Ocean Management Group Pty Ltd (AFSL 336409)) (**IOC**) to act as lead manager of the Public Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

Scope of Work/Services	IOC will provide, the following services to the Company in connection with the Public Offer and the Recapitalisation: (a) lead managing and marketing the Public Offer; (b) advising on, in conjunction with the Company's legal and other professional advisers, the structuring of the Public Offer; (c) assisting with the due diligence processes for the Public Offer; (d) assisting with the communications strategy in relation to the Public Offer; (e) managing the book build process; (f) managing the allocation process in conjunction with the Company; (g) assisting with co-ordinating the settlement processes between the Company, its share registry and subscribers to the Public Offer; and (h) assisting with, in conjunction with the Company's legal and other professional advisers, dealings with ASX and ASIC in relation to the Public Offer. IOC will also provide support and assistance with the preparation of ASX submissions, notice of meetings and this Prospectus for the Recapitalisation (**Advisory Services**).
Fees	Pursuant to the terms of the Lead Manager Mandate, the Company will pay IOC the following fees in consideration for services provided to the Company: (a) a management fee of 2% of total funds raised under the Public Offer; (b) a capital raising fee of 4% of total funds raised under the Public Offer; and (c) an advisory fee of $50,000 (excluding GST) in consideration for the Advisory Services.

Expenses	The Company will reimburse IOC for out of pocket expenses incurred pursuant to its engagement under the Lead Manager Mandate. No expenses will be incurred without the prior approval of the Company being obtained.
Term	The Lead Manager Mandate expires on 4 September 2021 (being, 12 months from commencement) unless terminated earlier by either party.
Termination	The Lead Manager Mandate can be terminated at any time with immediate effect by the giving of written notice.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2 Recapitalisation Agreements

9.2.1 Acquisition Agreement

The Company has entered into a share purchase agreement with AutoV Corporation Sdn. Bhd. (**AutoV**) in respect of the acquisition by the Company of 1,000,000 fully paid ordinary shares and 4,000,000 redeemable convertible preference shares in the capital of capital of Proreka Sprintex Sdn. Bhd. (**Proreka Sprintex**) (together, the **Sale Shares**) held by AutoV (the **Acquisition**) (**Acquisition Agreement**). The material terms and conditions of the Acquisition Agreement are summarised below:

Consideration	The consideration payable to AutoV for the Acquisition of: (a) the Sale Shares; and (b) all amounts due and owing by Proreka Sprintex to AutoV as at the date of Completion (defined below) (the **Advance**) (which amount the Company notes was MYR849,713.22 (approximately AU$295,000) as at the date of entry into the Acquisition Agreement), shall be US$250,000 (the **Consideration**), which shall be satisfied by the issue of the Shares at a deemed issue price per Share of $0.086 and upon such other terms not less favourable than the terms offered to other creditors and investors of the Company under the Public Offer and as part of Recapitalisation.
Conditions Precedent	Completion (defined below) of the Acquisition Agreement is subject to and conditional upon the satisfaction (or waiver) of the following conditions precedent on or before 31 October 2020 (unless otherwise extended by the parties): (a) the Company, AutoV and Proreka Sprintex obtaining all applicable approvals including but not limited to shareholder and regulatory approvals relating to the transactions contemplated in the Acquisition Agreement as are required under all applicable laws, rules and regulations;

	(b) the Company undertaking the Public Offer and receiving valid subscription amounts under the Public Offer for the minimum amount required to satisfy the ASX reinstatement conditions (as determined by the Company in its sole discretion); and (c) the Company receiving the conditional approval from ASX for the securities of the Company to be reinstated to trading on the official list of the ASX (on terms acceptable to the Company acting reasonably), (together, the **Conditions Precedent**).
Completion	Completion of the Acquisition (**Completion**) shall occur on the date that is 5 business days after satisfaction (or waiver) of the Conditions Precedent.
Termination of Shareholders Agreement and Licence Agreement	Upon Completion, the shareholders agreement and the licence (and sales and distribution) agreement entered into between the Company and AutoV shall be irrevocably, unconditionally and absolutely terminated and all provisions (except confidentiality and non-disclosure) shall cease to have any effect (for this reason, the Company does not consider such agreements to be material). Further, the parties agree that Proreka Sprintex shall enter into such documents that are reasonably necessary to effect the termination of those agreements.

The Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2.2 Secured Loan Agreement – Lidx Technology Limited

The Company has entered into a secured loan agreement with Lidx Technology Limited (an entity controlled by Proposed Director Mr Li Chen) (**Lidx**) under which Lidx has agreed to provide a loan of AU$550,000 to the Company to be used for overhead and general working capital purposes (**Lidx Loan**) on the following material terms and conditions:

Security	The Lidx Loan is secured by a fixed and floating general security charge over the assets (including accounts receivable) and undertakings of the Company.
Financing Charge	(a) In consideration for Lidx advancing the Lidx Loan, the Company agrees to issue $55,000 worth of Shares to Lidx at a deemed issue price per Share of $0.086 (being, 639,535 Shares) (**Financing Charge Shares**). (b) The issue of the Financing Charge Shares is subject to the Company obtaining prior Shareholder approval and being reinstated to trading on the Official List on or before 31 October 2020. (c) Where Shareholder approval is not obtained, or reinstatement does not occur on or before 31 October 2020, the Company agrees to pay the financing charge of $55,000 in cash on 1 April 2021

	(or such other date as is agreed between the Company and Lidx).
Interest	No interest is payable in respect of the Lidx Loan.
Conversion	(a) Subject to clause (c), the Lidx Loan will automatically convert into Shares at a conversion price of $0.086 on the date the securities of the Company are reinstated to trading on the Official List (the Conversion Shares). (b) The issue of the Conversion Shares is subject to the Company obtaining prior Shareholder approval and being reinstated to trading on the Official List on or before 31 October 2020. (c) Where Shareholder approval is not obtained, or reinstatement does not occur on or before 31 October 2020, the Company agrees to repay the Lidx Loan (being, $550,000) in cash on 1 April 2021 (or such other date as is agreed between the Company and Lidx). (d) The issue of the Conversion Shares or repayment of the Lidx Loan will be deemed to have satisfied the Company's obligations to repay the Loan. Upon conversion or repayment, all of the Company's obligations under the agreement will come to an end.
Event of Default	Upon the occurrence of an event of default (such as a failure to pay, perform or where a receiver or administrator is appointed over any of the assets or undertakings of the Company), Lidx may for so long as the event of default is continuing by written notice to the Company declare the Lidx Loan together with all other outstanding moneys to be immediately due and payable to Lidx without the need for any further demand or notice to be given.
Compliance with laws	The Lidx Loan shall not be converted into Shares if such conversion would cause the Company or Lidx to breach the Corporations Act, ASX Listing Rules or any other applicable laws or regulations.

The Lidx Loan otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2.3 Debt Conversion Agreement – Ganado Investments Corporation Ltd (GICL)

The Company has entered into a debt conversion agreement with GICL (an unrelated party of the Company) in respect of the conversion of all amounts owing to GICL by the Company, being US$1,110,000 ($1,606,600 as agreed between the parties) (the **GICL Debt**) (**GICL Debt Conversion**). The material terms and conditions of the GICL Debt Conversion are as follows:

Conditions Precedent	The Company and GICL agree that their respective obligations to perform under the GICL Debt Conversion are subject to and conditional upon the Company obtaining Shareholder approval for the issue of Shares to GICL and completion of the Public Offer.
Conversion	The Company has agreed to issue, and GICL agreed to accept, 18,681,395 Shares in full and final repayment of the GICL Debt (**GICL Debt Conversion Shares**).
Release	Upon issue of the GICL Debt Conversion Shares, GICL irrevocably and unconditionally releases the Company from all present or future claims in respect of the GICL Debt.

9.2.4 Debt Conversion Agreement – Wilson's Pipe Fabrication Pty Ltd

The Company has entered into a debt conversion and repayment agreement with Wilson's Pipe Fabrication Pty Ltd (ACN 082 800 397) (a substantial Shareholder and related party of the Company by virtue of being an entity controlled by Michael Wilson, a Director) (**WPF**) in respect of the conversion and or repayment of all amounts owing to WPF being, $1,472,624 (the **WPF Debt**) (**WPF Debt Conversion**). The material terms and conditions of the WPF Debt Conversion are as follows:

Conditions Precedent	The Company and WPF agree that their respective obligations to perform under the WPF Debt Conversion are subject to and conditional upon the Company obtaining Shareholder approval for the issue of Shares to WPF and completion of the Public Offer.
Conversion and Repayment	The Company has agreed to issue and pay, and WPF agreed to accept: (a) 10,146,790 Shares (**WPF Debt Conversion Shares**); and (b) $600,000 in immediately available funds (to be paid from the cash proceeds of the Public Offer) (**WPF Cash Repayment**), in full and final repayment of the WPF Debt.
Release	Upon issue of the WPF Debt Conversion Shares and payment of WPF Cash Repayment, WPF irrevocably and unconditionally releases the Company from all present or future claims in respect of the WPF Debt.

9.2.5 Deed of Debt Forgiveness– China Automotive Holdings Limited (CAHL)

The Company has entered into a deed of debt forgiveness with CAHL (a substantial Shareholder and a related party of the Company by virtue of being an entity controlled by Richard Siemens, a Director) (**CAHL**) under which CAHL has agreed that the loans advanced to the Company by CAHL (being, an aggregate of US$1,950,000) (**CAHL Debt**) will be forgiven in full, without the payment of interest or penalty, upon completion of the Recapitalisation.

The deed of debt forgiveness contains provisions considered standard for a deed of its nature (including in respect of future legal proceedings).

9.3 Operational Agreements

9.3.1 Distribution Agreement - Ramy

The Company has entered into a distribution agreement with Ramy Trading Co LLC (a company incorporated in the United Arab Emirates) (**Ramy**) under which Ramy has agreed to sell the Company's products on an exclusive basis on the following terms and conditions:

Territory	Ramy will exclusively sell the Company's products in the United Arab Emirates, Oman, Qatar, Bahrain, Saudi Arabia, Kuwait, Lebanon and Egypt (the **Territory**).
Term	The distribution agreement commenced on 8 October 2015.
Roles and Responsibilities	(a) The Company will provide to Ramy bolt-on supercharger kits (as developed by the Company) as an aftermarket product (**Supercharger Kit**). (b) Unless otherwise agreed, Ramy must at its own cost and in accordance with a written methodology approved in writing by the Company, undertake all necessary work associated with final fitting, final engine control unit (**ECU**) calibration and emissions testing and certifications. (c) The Company shall provide necessary technical support including installation training, accessories development training, ECU training and all such other technical support as agreed between the parties at the cost of Ramy. (d) The Company will offer to sell parts and accessories of the Supercharger Kit (normally stocked by the Company) to Ramy for sale in the Territory, for a minimum period of one year after the Company ceases to sell a Supercharger Kit. (e) The Company may at any time withdraw any Supercharger Kit from sale.

Intellectual Property

(a) Ramy acknowledges that all rights to intellectual property (**Intellectual Property**) in the Supercharger Kits or supercharger products developed by the Company from time to time (**Restricted Product)** are and shall remain the sole and exclusive property of the Company and its use or application by Ramy is limited to a license to enable Ramy to perform its obligations and to exercise its rights under the agreement. Ownership of the Intellectual Property relating to all improvements will be and remain the exclusive property of the Company. The Company shall authorise Ramy to produce brochures, flyers, product catalogues and advertising using the Company's trademarks in the prescribed format including specifically the Company trademarks.

(b) Ramy shall disclose to the Company all improvements or potential improvements in the in Restricted Products which come to its knowledge.

(c) Ramy shall not permit or cause any Intellectual Property or other proprietary interest in respect of Supercharger Kits or other Restricted Products (if any) to be used otherwise than in connection with its rights and obligations under the agreement.

(d) Ramy shall not directly or indirectly procure or permit the registration of any Intellectual Property right in the name of Ramy or any other person without the written consent of the Company.

(e) Ramy shall not, without the prior written consent of the Company, threaten or bring proceedings for infringement of any Intellectual Property against Sprintex or any third party.

(f) Ramy shall not, during the term of the agreement, oppose or otherwise contest the grant or validity of any Intellectual Property.

(g) Ramy shall not use the Supercharger Kits in any way which would be likely to harm or prejudice the Company's rights, including but not limited to Intellectual Property rights in respect of Restricted Products (including but not limited to the Supercharger Kits).

(h) Ramy shall not:

    (i) make any modifications to Restricted Products or their packaging;

    (ii) alter, remove, cover or tamper with any trademarks, numbers or other means of identification used on or in relation to the

	Supercharger Kits or other Company products; (iii) use in the Territory any trademarks or trade names so resembling any trademark or trade names of the Company as to be likely to cause confusion or deception; or (iv) acquire products that are the same or derived form the Supercharger Kits from any source other than the Company's or its authorised manufacturers. The Intellectual Property provisions survive termination of the agreement.
Termination	(a) The agreement will terminated when the parties have discharged all their obligations towards each other. (b) Either party shall be entitled to terminate the agreement with immediate effect to the other if: (i) that other party commits any breach of any of the provisions of the agreement and, in the case of a breach capable of remedy, fails to remedy it within 30 days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied; (ii) an encumbrancer takes possession or a receiver is appointed over any of the property or assets of that other party; (iii) that other party makes any voluntary arrangement with its creditors or becomes subject to an administration order; (iv) that other party goes into liquidation (except for the purpose of amalgamation or reconstruction and in such manner that the company resulting therefrom effectively agrees to be bound by or assume the obligations imposed on that other party under the agreement); or (v) that other party ceases, or threatens to cease, to carry on business.

The distribution agreement with Ramy otherwise contains provisions considered standard for an agreement of its nature.

9.3.2 Lease Agreement – Malaysian Facilities

Proreka Sprintex (the joint venture entity in which the Company has a 50% interest as at the date of this Prospectus) has entered into a lease agreement with Samudra Kargo Sdn Bhd (**Samudra Kargo**) over a warehouse/factory and office facility at No 2, Jalan Peguam U1/25, Hicom Glenmarie Ind Park, 40151 Shah Alam in Malaysia on the following terms and conditions:

Term	The lease agreement commenced on 1 January 2019 and will expire on 31 December 2020 (**Expiry Date**).
Rent	Proreka Sprintex will pay rent of RM48,000 (excluding tax) to Samudra Kargo on a monthly basis for duration of the term of the lease agreement.
Option to renew	Proreka Sprintex can elect to renew their tenancy for a further two year period by giving notice in writing to Samudra Kargo no later than 90 days prior to the Expiry Date provided that Proreka Sprintex has complied with its obligations in respect of rent and is not in breach of any of its covenants and obligations under the lease agreement.
Termination	If Proreka Sprintex: (a) does not pay rent seven days after it becomes due; or (b) neglects to perform and observe any other covenants and conditions contained in the agreement and such default continues for 30 days after Proreka Sprintex receives written notice from Samudra Kargo; Samudra Kargo may terminate the lease agreement by giving Proreka Sprintex seven days written notice and Proreka Sprintex will forfeit a sum of RM92,000 as agreed liquidated damages. Samudra Kargo will also refund Proreka Sprintex the utilities deposit of RM48,000 less any monies due and payable by Proreka Sprintex to Samudra Kargo by virtue of any provision of the lease agreement.

The lease agreement otherwise contains provisions considered standard for an agreement of its nature.

9.4 Agreements with Directors and Management

9.4.1 Mr Jude (Jay) Upton – Managing Director

The Company has entered into a consultancy services agreement with Top Fuel Promotions Pty Ltd (an entity controlled by Mr Jude (Jay) Upton)) (**Consultant**), under which the Consultant has agreed to provide managing director services to the Company, and has nominated Mr Upton to provide such services to the Company, on the following material terms and conditions:

Term	The consultancy services agreement commences on the date the Company's securities are reinstated to trading on the Official List of the ASX (**Effective Date**) and will continue until the earlier of: (a) 12 months from the Effective Date; or (b) the valid termination of the agreement, (the **Term**).
Fee	The Company will pay the Consultant a fee of $240,000 (plus GST) for services rendered per year (**Fee**).
Performance based bonus	The Company may pay to the Consultant a performance-based bonus over and above the Fee in cash or non-cash form (**Bonus**) at any time during the Term subject to obtaining any applicable regulatory approvals. In determining the extent of any Bonus, the Company shall take into consideration the key performance indicators of the Consultant and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.
Non-Competition	The Consultant and Mr Upton jointly and severally agree that, during the restraint period (being, up to a maximum of 2 years following the date of termination) and within the restraint area, they will not, without the prior written consent of the Company, directly or indirectly: (a) engage in or be concerned or interested directly or indirectly in any business or person that: (i) supplies products or services which are the same as or similar to the Company's business; (ii) is directly or indirectly entitled to any business which is in any way similar to the Company's business; or (iii) could be reasonably regarded as a market competitor of the Company's business, other than Mr Upton's shareholdings at the date of execution; (b) solicit, canvass, induce or encourage any person who was at any time during the twelve month period ending on the date of termination of Mr Upton's engagement a director, employee or agent of the Company to leave the employment or agency of the Company; (c) solicit, canvass, approach or accept any approach from any person who was at any time during the twelve month period ending on the date of termination of Mr Upton's engagement a customer of the Company with a view to obtaining the custom of any such person in a business which is the same or similar to the Business; or (d) interfere with the relationship between the Company and its clients, employees or suppliers.

Termination by Company

The Company may at its sole discretion terminate the consultancy services agreement as follows:

(a) if at any time the Consultant is or goes into liquidation or makes a composition or arrangement with creditors generally or takes advantage of any statute for the relief of insolvent debtors; or

(b) if at any time the Consultant or Mr Upton:

  (i) is convicted of any major criminal offence which brings the Consultant, Mr Upton or the Company or any of its Related Bodies Corporate into lasting disrepute;

  (ii) commits any serious or persistent breach of any of the provisions contained in this Agreement and, if the breach is capable of remedy, is not remedied within 14 days of the receipt of written notice from the Company to the Consultant and/or Mr Upton to do so;

  (iii) in the reasonable opinion of the Board, is absent in, or demonstrates incompetence with regard to the performance of his duties under this Agreement, or is neglectful of his duties under this Agreement or otherwise does not perform his duties under this Agreement in a satisfactory manner;

  (iv) is guilty of any grave misconduct or wilful neglect in the discharge of his duties and the breach is not remedied within 28 days of the receipt of written notice from the Company to the Consultant to do so; or

  (v) is of unsound mind or under the control of any committee or officer under any law relating to mental health; or

(c) if the Consultant or Mr Upton disclose, communicate, use or misuse price sensitive information without the prior written consent of the Board except to the extent that the Consultant or Mr Upton is required by law to disclose, communicate or use it; or

(d) by giving written notice to the Consultant.

Where the Company decides to terminate the engagement for a reason specified above, it may do so in the following manner:

(a) for any reason specified in clause (a), (b) or (c), by giving notice to the Consultant effective immediately and without payment of any Fee other than Fee accrued to the date of termination; or

	(b) in accordance with clause (d), by either: (i) giving 6 months' notice to the Consultant and, during the notice period, making payments to the Consultant equal to the equivalent of the Fee that would otherwise be payable to the Consultant each month over the notice period if the engagement had not been terminated; or (ii) giving 6 months' notice to the Consultant effective immediately (i.e. without a notice period) and making a payment to the Consultant equal to the equivalent of the Fee that would otherwise be payable to the Consultant over 6 months.
Termination by Consultant	The Consultant may at its sole discretion terminate the engagement for the following reasons: (a) without cause; (b) if Mr Upton is terminated as 'Managing Director' of the Company (other than for a reason set out in clauses (a) to (c) in the 'Termination by the Company' section above); or (c) within 1 month of a material change. Where the Consultant decides to terminate the engagement for a reason specified above, it may do so in the following manner: (a) in accordance with clause (a) above, by giving 6 months' notice to the Company that the termination is effective at the end of 6 months unless the Company elects to pay the Consultant the equivalent of the Fee that would otherwise have been payable to the Consultant over 6 months and terminate the engagement immediately; or (b) in accordance with clause (b) or (c) above, by giving 6 months' notice to the Company that the termination is effective immediately and the Company must pay to the Consultant the equivalent of the Fee that would otherwise be payable to the Consultant over 6 months if the engagement had not been terminated.

The consultancy agreement otherwise contains provisions considered standard for an agreement of its nature.

9.4.2 Mr Robert Molkenthin – Chief Financial Officer and Company Secretary

The Company has entered into a consulting and service agreement with Captiva Investments Pty Ltd (an entity controlled by Robert Molkenthin) (**Captiva**) under which Captiva has been engaged to provide chief financial officer and company secretarial services to the Company and Mr Molkenthin nominated to provide such services on behalf of Captiva, on the following terms and conditions:

Term	The consulting and service agreement commenced on 1 January 2015 and continues until validly terminated by either party in accordance with its terms.
Termination	Either party may terminate the consulting and service agreement by providing 1 months' notice to the other party.
Fees	The Company will pay Captiva $197,100 (plus GST) for services rendered per year.
Expenses	The Company will reimburse Captiva for out of pocket expenses incurred by Captiva on provision of a tax invoice and all required supporting documentation.
Non-Competition	During the term of Captiva's engagement, Captiva will not, without prior written consent from the Company, directly or indirectly carry on, advise, provide services to or be engaged, concerned or interest in or associated with any business or activity which is competitive with any business carried on by the Company, or be engaged or interested in any public or private work or duties which in the reasonable opinion of the Company may hinder or otherwise interfere with the performance of Captiva of its duties under the agreement.

The consulting and service agreement with Captiva otherwise contains provisions considered standard for an agreement of its nature (including confidentiality and intellectual property provisions).

9.4.3 Non-executive Director Appointments

The Company has entered into appointment letters with each of Messrs Wayne Knight, Li Chen and Steven Apedaile to act in the following capacities:

(a) Mr Wayne Knight – Non-Executive Chairman;

(b) Mr Li Chen – Non-Executive Director; and

(c) Mr Steven Apedaile – Non-Executive Director.

These Directors will receive the remuneration set out in Section 8.4.

9.4.4 Deeds of indemnity, insurance and access

The Company will enter into a deed of indemnity, insurance and access with each of the Proposed Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

10. ADDITIONAL INFORMATION

10.1 Litigation

Other than as set out below, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

A former employee of the Company (Mr Tyrone Jones, former Chief Executive Officer) has made a claim of approximately US$200,000 (plus attorney fees and costs) against Sprintex USA Inc. (the Company's wholly owned subsidiary) for unjust enrichment, breach of contract and promissory estoppel in respect of his termination. In addition, Rosello Properties LLC has made a claim of US$34,000 against Sprintex USA Inc. and Mr Jones in respect of amounts owing in unpaid rent for Mr Jones' accommodation in Oakland County, Michigan (the two claims of which have been consolidated by the Michigan Oakland Country Circuit Court). The Company is vigorously defending the consolidated claim and has engaged an attorney in the USA in respect of the matter. The Company is currently involved in a mediation process (to be concluded by 30 November 2020). In addition, the Company is in the process of filing a motion to dismiss (which is intended to be filed before 25 October 2020). If the mediation and motion to dismiss are unsuccessful, the case will be moved to trial.

10.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement on such terms and conditions as the Directors think fit, (a) a dividend reinvestment plan which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.3 Options to be issued under the Options Offer

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be $0.086 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 3 years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

  (i) its formation or promotion; or

  (ii) the Offers; or

(c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

  (i) the formation or promotion of the Company; or

  (ii) the Offers.

10.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

  (i) its formation or promotion; or

  (ii) the Offers; or

(f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offers.

PKF Perth has acted as Australian auditor to the Company and has prepared the audited historical financial information of the Company set out in Section 6 of this Prospectus. The Company estimates it will pay PKF Perth a total of $75,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PKF Perth has received $126,250 in fees from the Company for audit services.

PKF Malaysia has acted as Malaysian auditor to the Company and has prepared the audited historical financial information of Proreka Sprintex set out in Section 6 of this Prospectus. The Company estimates it will pay PKF Malaysia a total of $6,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PKF Malaysia has received $11,000 in fees from the Company for audit services.

Stantons International Securities Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A. The Company estimates it will pay Stantons International Securities Pty Ltd a total of $20,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Stantons International Securities Pty Ltd has not received fees from the Company for any services.

Griffith Hack has acted as intellectual property solicitors and has prepared the Intellectual Property Report which is included in Annexure B. The Company estimates it will pay Griffith Hack a total of $8,726.30 (GST inclusive) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Griffith Hack has received $7,339.20 (GST inclusive) in fees from the Company for services.

The Lead Manager will receive 6% of the total amount raised under the Prospectus following the successful completion of the Public Offer for its services as Lead Manager to the Public Offer. Further details in respect to the Lead Manager Mandate are summarised in Section 9.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Lead Manager has not received fees from the Company for any services. However, an entity associated with the Lead Manager, Indian Ocean Consulting Group Pty Ltd, has charged $78,334 (and received $44,000) in fees for accounting services provided to the Company.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin $92,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has charged $70,000 in fees to the Company for legal services.

10.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and

(c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Stantons International Securities Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure A in the form and context in which the information and report is included.

Griffith Hack has given its written consent to being named as intellectual property solicitors in this Prospectus and to the inclusion of the Intellectual Property Report in Annexure B in the form and context in which the information and report is included.

PKF Perth has given its written consent to being named as Australian auditor of the Company in this Prospectus and to the inclusion of the audited financial information of the Company contained in Section 6 of this Prospectus in the form and context in which it appears.

PKF Malaysia has given its written consent to being named as Malaysian auditor of the Company in this Prospectus and to the inclusion of the audited financial information of Proreka Sprintex contained in Section 6 of this Prospectus in the form and context in which it appears.

Steinepreis Paganin has given its written consent to being named as the legal advisers to the Company in relation to the Offers in this Prospectus.

Indian Ocean Corporate Pty Ltd has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Advanced Share Registry has given its written consent to being named as the share registry to the Company in this Prospectus.

10.7 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately $559,869 (assuming Full Subscription) and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Full Subscription ($)
ASIC fees	3,206
ASX fees	18,719
Lead Manager Fees[1]	399,750
Legal Fees[2]	110,000
Investigating Accountant's Fees	20,000
Printing and Distribution	2,050
Miscellaneous	4,144
TOTAL	**559,869**

Notes:

1. Refer to Section 9.1 for further detail regarding the fees payable to the Lead Manager.
2. Including fees payable to the Company's legal advisors (including, the intellectual property solicitors).

11. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Mr Richard Siemens
Non-Executive Chairman
For and on behalf of
Sprintex Limited

12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

$ means an Australian dollar.

Acquisition means the acquisition of a 50% interest in Proreka Sprintex held by AutoV.

Application Form means the application form attached to or accompanying this Prospectus relating to the Public Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

AutoV means AutoV Corporation Sdn. Bhd (an entity incorporated in Malaysia), the Company's joint venture partner.

Board means the board of Directors as constituted from time to time.

Business means the business of the Company, being the development, manufacture, and supply of patented twin screw supercharger products.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

CAHL or **China Automotive Holdings Limited** means China Automotive Holdings Limited (an entity incorporated in the British Virgin Islands).

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Cleansing Offer means the offer of Shares pursuant to this Prospectus as set out in Section 4.8.

Cleansing Offer Application Form means the application form relating to the Cleansing Offer.

Closing Date means the closing date of the Public Offer and Cleansing Offer (as applicable) as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offers early).

Company or **Sprintex** or **SIX** means Sprintex Limited (ACN 106 337 599).

Company Group means the Company and the Subsidiaries.

Conditions has the meaning set out in Section 4.5.

Constitution means the constitution of the Company.

Corporations Act means *the Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Financing Charge has the meaning given to that term in Section 9.2.2.

Full Subscription means the amount to be raised under the Public Offer, being $6,500,000.

GICL or **Ganado Investments Corporation Ltd** means Ganado Investments Corporation Ltd (an entity incorporated in the British Virgin Islands).

GICL Loan means the loan of US$1,110,000 provided by GICL to the Company.

General Meeting or **Meeting** means the Company's general meeting held on 28 September 2020.

Lead Manager means Indian Ocean Corporate Pty Ltd (ACN 142 266 279).

Lead Manager Mandate means the agreement with the Lead Manager summarised in Section 9.1.

Lidx or **Lidx Technology Limited** means Lidx Technology Limited (Hong Kong Company No. 2761440).

Lidx Loan has the meaning given to that term in Section 9.2.2.

Minimum Subscription has the meaning given in Section 4.2.

Notice or **Notice of Meeting** means the Company's notice of general meeting dated 28 August 2020.

Offers means the Public Offer and the Cleansing Offer.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Options Offer means the offer of Options pursuant to this Prospectus as set out in Section 4.9.

Options Offer Application Form means the application form relating to the Options Offer.

PKF Perth means PKF Perth who act as the Company's Australian auditor.

Proposed Board means the board of Proposed Directors as constituted upon the successful election of each of the Proposed Directors.

Proposed Directors means the proposed directors of the Company who are the subject of election resolutions in the Notice.

Proreka Sprintex means Proreka Sprintex Sdn. Bhd. (an entity incorporated in Malaysia), the joint venture entity.

Prospectus means this prospectus.

Public Offer means the offer of Shares to raise $6,500,000 pursuant to this Prospectus as set out in Section 4.1.

Recapitalisation Proposal means the proposal to recapitalise the Company and reinstate its Shares to trading on the Official List on the terms and conditions set out in the Company's ASX announcement released on 31 August 2020.

Recommendations has the meaning set out in Section 8.6.

Reinstatement Conditions means those conditions set by ASX for the Company's Shares to be reinstated to trading on the ASX. The Reinstatement Conditions are set out in Schedule 1.

Resolutions mean the resolutions put to, and passed by, the requisite majority of Shareholders at the General Meeting.

Section means a Section of this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Subsidiaries means the subsidiaries of the Company.

WPF or **Wilson's Pipe Fabrication Pty Ltd** means Wilson's Pipe Fabrication Pty. Ltd. (ACN 082 800 397).

WPF Loan or **WPF Debt** means the loan of $1,472,624 provided by WPF to the Company.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – REINSTATEMENT CONDITIONS

1. Confirmation that all the conditions to the Recapitalisation Proposal (as per the terms of the Recapitalisation Proposal) have been satisfied. If any of the conditions have been waived, such waiver must be on terms acceptable to ASX.
2. Sprintex Limited's ("**SIX**") shareholders approving all the resolutions required to effect the Recapitalisation Proposal to be considered at a general meeting of shareholders ("**Meeting**").
3. SIX releasing a full form prospectus pursuant to section 710 of the Corporations Act 2001 (Cth) ("**Prospectus"**) in relation to the placement and issuing 58,139,535 shares (minimum subscription) and up to 69,767,442 shares (maximum subscription) at an issue price of AU$0.086 per share raising a minimum of AU$5,000,000 and a maximum of AU$6,000,000 (before costs) (the "**Capital Raising**") and any other securities to be issued in connection with the Recapitalisation Proposal or the proposed reinstatement of the securities of SIX to official quotation, namely:
    - 3.1. the issue of 6,395,349 shares to Lidx Technology Limited (an entity incorporated in Hong Kong) ("**Lidx**") on conversion of the loan provided to the Company by Lidx ("**Lidx Loan**) into shares in SIX;
    - 3.2. the issue of 639,535 shares to Lidx as consideration for providing the Lidx Loan;
    - 3.3. the issue of 10,146,790 shares to Wilson's Pipe Fabrication Pty Ltd ("**WPF**") on conversion of the loan provided by WPF ("**WPF Loan**") into shares in SIX;
    - 3.4. the issue of 18,681,395 shares to Ganado Investments Corporation Ltd ("**Ganado**") (or its nominees) on conversion of the loan provided by Ganado ("**Ganado Loan**") into shares in SIX;
    - 3.5. the issue of approximately 4,019,041 shares (being that number of shares which, when multiplied by the deemed issue price of AU$0.086, equals US$250,000, based on the current exchange rate of 1.38255 from US Dollars to Australian Dollars) to AutoV Corporation Sdn. Bhd. ("**AutoV**") as consideration for the Acquisition.
4. Completion of the Capital Raising and confirmation that SIX has reached minimum subscription.
5. Confirmation in a form acceptable to ASX that SIX has received cleared funds for the complete amount of the issue price of every security allotted and issued to every successful applicant for securities under the Capital Raising under the Prospectus.
6. Confirmation that SIX has lodged audited accounts for its latest full financial year - that is not subject to modification.
7. Provision of a reviewed pro forma statement of financial position for SIX, based on SIX's audited accounts for the year ended 30 June 2020, showing the effect of any transactions expected to occur in conjunction with SIX's Recapitalisation Proposal. The review must be conducted by a registered company auditor, or an overseas equivalent of a registered company auditor, or an independent accountant. The reviewed pro forma statement of financial position must not contain a modified conclusion, emphasis of matter or other matter paragraph that ASX considers unacceptable.
8. SIX demonstrating compliance with the California Vehicle Code and obtaining requisite executive orders from the California Air Resources Board.
9. Confirmation to the satisfaction of ASX that SIX has entered into a binding development and manufacturing agreement with an unrelated party.

10. Confirmation to the satisfaction of ASX that SIX has entered into a binding development and marketing agreement with an unrelated party.

11. Confirmation of completion of the following:

    11.1. Completion of the issue of 6,395,349 shares to Lidx on conversion of the Lidx Loan into shares in SIX;

    11.2. Completion of the issue of 639,535 shares to Lidx in consideration for providing the Lidx Loan;

    11.3. Extinguishment of the CAHL Loan;

    11.4. Completion of the issue of 10,14,790 shares to WPF on conversion of the WPF Loan into shares in SIX; and

    11.5. Confirmation of the payment of AU$600,000 from proceeds of the Capital Raising into WPF in cash as part payment of the WPF Loan.

12. Confirmation of completion of the issue of 18,681,395 shares to Ganado on conversion of the Ganado Loan into shares in SIX.

13. Confirmation that the current directors of SIX have resigned from office upon completion of the Recapitalisation Proposal.

14. Confirmation that Messrs Wayne Knight, Jay Upton, Li Chen and Steven Apedaile have been appointed as directors of SIX and have satisfied the 'good and fame' requirements required by ASX Listing Rule 1.1 condition 20 at the date of SIX's listing.

15. Confirmation that SIX has acquired the remaining 50% interest in the Malaysian joint venture, Proreka Sprintex Sdn. Bhd. (the "**Joint Venture**") held by AutoV ("**Acquisition**") and completion of the issue of approximately 4,019,041 shares (being that number of shares which, when multiplied by the deemed issue price of AU$0.086, equals US$250,000, based on the current exchange rate of 1.38255 from US Dollars to Australian Dollars) to AutoV in consideration for the Acquisition.

16. Confirmation that SIX's secured creditors have released and discharged any security granted to them by SIX and there are no outstanding security interests over SIX's assets and that SIX's secured creditors have no further interest in SIX's assets (other than Lidx as per the terms of the Lidx Security).

17. Confirmation that SIX has withdrawn the 5 to 1 equity consolidation announced by SIX on the ASX Market Announcements Platform on 23 April 2019;

18. Confirmation of certain matters in relation to patents held by SIX.

19. SIX demonstrating compliance with ASX Listing Rules 12.1 to 12.4 inclusive, to the satisfaction of the ASX, as set out below.

    19.1. SIX satisfies the requirements of ASX Listing Rule 12.1.

    19.2. SIX's financial condition satisfies the requirements of ASX Listing Rule 12.2, including:

        19.2.1. Completion of SIX's Capital Raising and that, after payment of the costs of the Capital Raising (if any) and payments to any other parties or entities to satisfy obligations under Recapitalisation Proposal (and any amendments or variations thereto), SIX can demonstrate to ASX that it will have net tangible assets for at least $4 million pursuant and satisfies the requirements of ASX Listing Rule 1.3.2(a);

        19.2.2. Providing a 'working capital statement' similar to that required by ASX Listing Rule 1.3.3(a) to the effect that following completion of the Capital Raising, SIX will have sufficient working capital at the time of reinstatement to carry out its activities; and

    19.2.3. Satisfying the 'working capital test' of at least $1.5 million pursuant to ASX Listing Rule 1.3.3(c).

20. SIX's level of shareholder spread will satisfy the requirements of ASX Listing Rule 12.4, with there being at least 300 non-affiliated holders each holding at least $500 worth of fully paid ordinary shares (such calculation to be based on the issue price of the Placement).

21. Confirmation (to the satisfaction of ASX) that no event of default has occurred under any of the loan agreements as per the terms of the Recapitalisation Proposal.

22. Confirmation of the completion of all agreements required to complete the recapitalisation of SIX.

23. Lodgement of all outstanding Appendices 3B and Appendices 2A with ASX for issues of new securities.

24. Reinstatement of SIX's CHESS sub-register (if applicable).

25. SIX having a free float (as that term is defined in Chapter 19 of the ASX Listing Rules) of not less than 20% at the time of its reinstatement to the official list.

26. Provision of copies of restriction agreements entered into by SIX and the relevant shareholder, together with undertakings provided by a bank, recognised trustee or the provider of registry services, in relation to the restricted securities of SIX, if required.

27. Lodgement of any outstanding reports for the period since SIX's securities were suspended and any other outstanding documents required by ASX Listing Rule 17.5.

28. Lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys, or 3Zs, as required.

29. Confirmation that there are no legal, regulatory or contractual impediments to SIX undertaking the activities the subject of the commitments disclosed in the Prospectus.

30. Payment of any ASX fees, including listing fees, applicable and outstanding (including the annual listing fee for the year ended 30 June 2021).

31. Confirmation the securities to be issued following the Meeting have been issued, and despatch of each of the following has occurred.

    31.1. In relation to all holdings on the CHESS sub-register, a notice from the Entity under ASX Settlement Operating Rule 8.9.1.

    31.2. In relation to all other holdings, issuer sponsored holding statements.

    31.3. Any refund money.

32. Provision of the following documents, in a form suitable for release to the market.

    32.1. A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.

    32.2. A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories.

    - 1 - 1,000
    - 1,001 - 5,000
    - 5,001 - 10,000
    - 10,001 - 100,000

- 100,001 and over

32.3. A statement outlining the SIX's capital structure following the Meeting on a post-issue basis.

32.4. SIX's pro forma balance sheet based on actual funds raised.

32.5. SIX's updated statement of commitments based on actual funds raised.

32.6. A consolidated activities report setting out the proposed business strategy for SIX (including an update on the status of SIX's assets and the current activities with respect thereto).

32.7. Full terms and conditions of all options on issue (if any).

32.8. Full terms and conditions of any employee incentive schemes (if any).

32.9. A statement disclosing the recipients of the broker shares, if any (including the number of shares issued to each broker).

32.10. A statement confirming that SIX has entered into a binding development and marketing agreement with an unrelated party;

32.11. A statement confirming that SIX has entered into a binding marketing and distribution agreement with an unrelated party;

32.12. A statement confirming the following:

    32.12.1. conversion of the Lidx Loan into fully paid ordinary shares in SIX;

    32.12.2. completion of the issue of 639,535 shares to Lidx in consideration for providing the Lidx Loan;

    32.12.3. the extinguishment of the CAHL Loan;

    32.12.4. conversion of the WPF Loan into shares in SIX;

    32.12.5. payment of AU$600,000 from proceeds of the Capital Raising into WPF in cash; and

    32.12.6. conversion of the Ganado Loan into shares in SIX.

32.13. A statement confirming that SIX has acquired the remaining 50% interest in the Joint-Venture held by AutoV and completion of the issue of approximately 4,019,041 shares (being that number of shares which, when multiplied by the deemed issue price of AU$0.086, equals US$250,000, based on the current exchange rate of 1.38255 from US Dollars to Australian Dollars) to AutoV in consideration for the Acquisition at AUD$0.086 per share.

32.14. A statement confirming that SIX's secured creditors have released and discharged any security granted to them by SIX and there are no outstanding security interests over SIX's assets and that SIX's secured creditors have no further interest in SIX's assets (other than Lidx as per the terms of the Lidx Security).

32.15. A statement confirming that following completion of the Capital Raising SIX will have sufficient working capital at the time of reinstatement to carry out its activities as required by ASX Listing Rule 1.3.3 (c).

32.16. A statement disclosing the extent to which SIX will follow, as at the date its securities are reinstated, the recommendations set by the ASX Corporate Governance Council. If SIX does not intend to follow all of the recommendations on its reinstatement, SIX must identify those recommendations that will not be followed and give its reasons for not following them.

32.17. A statement setting out the number of securities subject to ASX restrictions or voluntary escrow and the restriction period (or voluntary escrow period) applied to those securities.

32.18. A copy of SIX's securities trading policy as required by ASX Listing Rule 12.9.

32.19. An update on all litigation with respect to SIX (if any).

32.20. A statement confirming that there are no legal, regulatory or contractual impediments to SIX undertaking the activities the subject of the commitments disclosed in the Prospectus.

32.21. A statement confirming SIX is in compliance with the ASX Listing Rules and in particular ASX Listing Rule 3.1.

32.22. Any further documents and confirmations ASX may determine are required to be released to the market as pre-quotation disclosure.

32.23. A statement confirming of the responsible person for the purposes of ASX Listing Rule 1.1 condition 12.

33. Provision of any other information required or requested by ASX including, but not limiting the generality of the foregoing, in relation to any issues that may arise (1) from ASX's review of the Prospectus; and (2) from ASX's review of SIX's financial reports.

34. SIX will be required to lodge quarterly cash flow and activities reports after reinstatement, in compliance with ASX Listing Rule 4.7B and 4.7C ("**Quarterly Reports**").

ANNEXURE A – INDEPENDENT LIMITED ASSURANCE REPORT

Stantons International Securities

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 42 128 908 289
AFS Licence No: 448697
www.stantons.com.au

19 October 2020

The Directors
Sprintex Limited
Unit 2/63 Furniss Road
Darch WA 6065

Dear Directors

RE: INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

Stantons International Securities Pty Ltd ("**SIS**") has been engaged by Sprintex Limited ("**Company**") to prepare this Independent Limited Assurance Report ("**Report**") in relation to certain financial information of Sprintex and its wholly owned subsidiaries ("**Sprintex"**) and its Malaysian subsidiary, Proreka Sprintex Sdn Bhd ("**Proreka Sprintex**"), for the recapitalisation proposal including the public offering of shares in Sprintex, for inclusion in the Prospectus ("**Prospectus**").

Broadly, the Prospectus will offer:

i) up to 75,581,396 ordinary shares at A$0.086 per share to raise $6,500,000 ("**Public Offer**");

ii) up to 100 Shares at an issue price of $0.086 per Share to raise up to $8.60 ("**Cleansing Offer"**); and

iii) an offer of 5,000,000 Options to the Proposed Non-Executive Chairman, Mr Wayne Knight (or his nominee) ("**Options Offe**r")

(collectively, the "**Offers**").

In addition, the following shares will be issued by the Company in connection with the recapitalisation proposal:

i) ordinary shares to the value of US$250,000 at A$0.086 per share to AutoV as consideration for the acquisition of its 50% interest in Proreka Sprintex;

ii) 7,034,883 ordinary shares to Lidx Technology Ltd in fulfillment of a loan of A$550,000 for the purposes of working capital and A$55,000 consideration for providing the loan at a deemed issue price of A$0.086 per share;

iii) 18,681,395 ordinary shares to Ganado Investments Corporation Ltd on conversion of A$1,606,600 of debts at a conversion price of A$0.086 per share; and

iv) 10,146,790 ordinary shares to Wilson's Pipe Fabrications Pty Ltd on conversion of A$872,624 of debts at a conversion price of A$0.086 per share.

Expressions defined in the Prospectus have the same meaning in this Report.

SIS holds an Australian Financial Services Licence (AFS Licence Number 448697) and our Financial Services Guide ("**FSG**") has been included in this Report in the event that you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumptions of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than for which it was prepared.

2. Scope

You have requested SIS to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus (the "**Financial Information**").

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

You have requested SIS to review the following historical financial information of Sprintex and Proreka Sprintex included in the Prospectus:

- the audited historical Statements of Comprehensive Income and Statements of Cash Flows for Sprintex for the financial years to 30 June 2018, 30 June 2019 and 30 June 2020;
- the audited historical Statements of Comprehensive Income and Statements of Cash Flows for Proreka Sprintex, translated into A$, for the financial years to 30 June 2018, 30 June 2019 and 30 June 2020;
- the consolidated historical Statements of Financial Position for Sprintex as at 30 June 2018, 30 June 2019 and 30 June 2020; and
- the historical Statements of Financial Position for Proreka Sprintex, translated into A$, as at 30 June 2018, 30 June 2019 and 30 June 2020.

The historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The historical Financial Information has been extracted from the financial reports of Sprintex for the years ended 30 June 2018, 30 June 2019 and 30 June 2020, which was audited by PKF Perth ("**PKF Perth**") in accordance with the Australian Auditing Standards, and the financial reports of Proreka Sprintex for the years ended 30 June 2018, 30 June 2019 and 30 June 2020, which was audited by PKF Kuala Lumpur ("**PKF Malaysia**") in 2018 and 2019 and PKF Perth in 2020.

PKF Perth issued a qualified audit opinion on the financial reports for Sprintex for the financial years ended 30 June 2018 and 30 June 2019 on the following basis:

- Opening Balances - the auditor was unable to obtain sufficient and appropriate audit evidence to support the company's share of loss in Proreka Sprintex;
- Joint Venture – The Company impaired its loan to the joint venture entity, Proreka Sprintex as recorded in the financial accounts and disclosed in the notes. The auditor was unable to obtain sufficient and appropriate audit evidence to confirm the impairment expense. Furthermore, sufficient and appropriate audit evidence to support any of the financial information in relation to the joint venture entity was not received. Consequently, determination by the auditor of whether any adjustments to these amounts was not possible;
- USA Taxation Obligations – the auditor was unable to obtain sufficient and appropriate audit evidence to ensure direct and indirect tax obligations in the USA have been appropriately accounted for, recognised and disclosed in the financial report.

PKF Malaysia did not issue an audit opinion on the financial reports of Proreka Sprintex for the years ended 30 June 2018 and 30 June 2019 due to:

- uncertainty relating to the carrying amount of property, plant and equipment; and
- material uncertainty relating to the going concern basis.

PKF Perth issued a qualified audit opinion on the financial reports for Sprintex and Proreka Sprintex for the financial years ended 30 June 2020 due to:

- Opening Balances - the auditor was unable to obtain sufficient and appropriate audit evidence to support the balances of Proreka Sprintex as at 30 June 2019.
- material uncertainty relating to the going concern basis.

In addition, we note the contingent liability note as disclosed in Sprintex's Annual Report for the financial year to 30 June 2020:

"The USA controlled entity, Sprintex USA Inc. have engaged an independent taxation firm that have processed and lodged the outstanding direct and indirect taxation returns for the current and previous years. Based on these returns, Sprintex USA Inc. does not have any outstanding obligations. However, due to their outstanding returns being lodged past their due date, there may be penalties incurred. The magnitude of these penalties cannot be determined at the date of this report.

A former group employee based in the USA has made a claim against the Company. This matter is considered to have no merit and is being vigorously defended.

Pro Forma Historical Financial Information

You have requested SIS to review the following pro forma historical financial information (the "**Pro Forma Historical Financial Information**") of Sprintex and Proreka Sprintex included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2020; and
- the pro forma historical Statement of Comprehensive Income as at 30 June 2020.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Sprintex and Proreka Sprintex, after adjusting for the effects of the pro forma adjustments described in Section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 6 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Sprintex to illustrate the impact of the events or transactions described in Section 6 of the Prospectus on Sprintex' financial position as at 30 June 2020. As part of this process, information about Sprintex' financial position has been extracted by Sprintex from Sprintex' financial statements for the financial year ended 30 June 2020.

3. Directors' Responsibility

The directors of Sprintex are responsible for the preparation and presentation of the historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical Financial Information and Pro Forma Historical Financial Information to be free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express limited assurance conclusions on the historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the historical Financial Information comprising:

- the Statement of Comprehensive Income and Statements of Cash Flow of Sprintex for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
- the Statement of Financial Position of Sprintex as at 30 June 2018, 30 June 2019 and 30 June 2020;
- the Statement of Comprehensive Income and Statements of Cash Flow of Proraka Sprintex, translated into $A, for the years ended 30 June 2018, 30 June 2019 and 30 June 2020; and
- the Statement of Financial Position of Proreka Sprintex, translated into $A, as at 30 June 2018, 30 June 2019 and 30 June 2020.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus, after taking into account the qualifications by the auditors of Sprintex and Proreka Sprintex as noted above.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in Section 6 of the Prospectus, and comprising:

- the pro forma historical Statement of Financial Position of Sprintex and Proreka Sprintex as at 30 June 2020; and
- the pro forma historical Statement of Comprehensive Income of Sprintex and Proreka Sprintex for the financial year ended 30 June 2020,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus, after taking into account the qualifications by the auditors of Sprintex and Proreka Sprintex as noted above.

6. Independence

SIS does not have any interest in the outcome of the proposed Offers other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

7. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not consider the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

SIS has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, SIS has not authorised the issue of the Prospectus. Accordingly, SIS makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES PTY LTD

Samir Tirodkar

Financial Services Guide

Dated 19 October 2020

Stantons International Securities Pty Ltd (Trading as Stantons International Securities)

Stantons International Securities Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) (**“SIS”** or **“we”** or **“us”** or **“ours”** as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

a) who we are and how we can be contacted;

b) the services we are authorized to provide under our **Australian Financial Services Licence, Licence No: 448697;**

c) remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;

d) any relevant associations or relationships we have; and

e) our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report, we may provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the report, you should seek advice from a registered financial adviser.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be A$20,000 exclusive of GST.

You have a right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. Stantons International Audit and Consulting Pty Ltd employees and contractors are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

SIS is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd, a professional advisory and accounting practice. From time to time, SIS and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

1.1.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

1.1.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (“**AFCA**”). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1800 931 678

SIS confirms that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum insured for SIS and our authorised representatives / representatives / employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any authorised representative / representative / employee who has ceased work with SIS for work done whilst engaged with us.

Contact details

You may contact us using the details set out at above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

ANNEXURE B – INTELLECTUAL PROPERTY REPORT

Robert Molkenthin
Chief Financial Officer
Sprintex Limited
Unit 2/63 Furniss Road
Darch WA 6065

BY EMAIL
robert.molkenthin@sprintex.com.au

19 October 2020

Dear Mr Molkenthin

PROSPECTUS REPORT

1. BACKGROUND AND SCOPE

This Report has been prepared by Griffith Hack for inclusion in a prospectus to be issued by Sprintex Limited ("Sprintex"). Griffith Hack was asked to compile this Report to detail all registered intellectual rights presently owned by Sprintex and its wholly owned subsidiaries.

This Report is current as at 19 October 2020. Griffith Hack is not aware of any material changes to the status of matters discussed herein since this date.

This Report is directed to the patents identified in **Annexure 1**, the trade marks identified in **Annexure 2**.

2. OVERVIEW OF INTELLECTUAL PROPERTY (IP) PROTECTION

The term "intellectual property" refers to the collection of registrable and non-registrable rights, including rights in patents, designs, trade marks, plant varieties, copyright, confidential information and trade secrets. Intellectual property shares many of the characteristics associated with real and personal property. For example, intellectual property is an asset, and as such it can be bought, sold, valued, licensed, exchanged, or gratuitously given away like any other form of property. Further, the intellectual property owner, has the right to prevent the unauthorised use or sale of the property.

This Report deals only with registered intellectual property in the form of patents and trade marks.

3. PATENTS

3.1 Monopoly provided by a patent

Patent rights are an important component of intellectual property. A patent is a statutory mechanism that provides the patent owner with a monopoly to exploit an invention as claimed in a patent claim, in exchange for an inventor’s full disclosure of their invention to the public. An invention is a device, system, substance, method, or process created by a person that is novel (new), inventive (non-obvious) and useful. The patent monopoly is for a limited period, typically twenty (20) years (subject to the payment of renewal fees). The patent monopoly is however subject to any prior valid third party rights. So, the owner of a later filed patent may need to acquire require authority from an earlier patent owner, for example by way of license, to lawfully exploit their invention.

Under Australian law, "exploitation" includes:

(a) where the invention is a product - to make, hire, sell or otherwise dispose of the product, to offer to make, sell, hire or otherwise dispose of it, to use or import it, or to keep it for the purpose of doing any of those things; or

(b) where the invention is a method or process - to use the method or process or do any act mentioned in paragraph (a) in respect of a product resulting from such use.

A patent is a written document which includes a description of the invention usually with corresponding drawings, and one or more patent claims. A patent claim is a statement which defines in words the scope of the monopoly being sought. Patent infringement and validity are determined on the basis of the patent claims. In short, a patent claim is infringed if a third party, without the authority of the patentee, exploits an invention that falls within the scope of that patent claim.

There is no such thing as a worldwide patent. Rather patents must be obtained in every country where protection is sought. That is, a patent only has effect in the country in which it is granted. The test for patentability is not the same in every country. For this reason, there may be differences in scope of patent claims granted for the same invention from country to country.

Patent rights initially lie with the inventor, although the inventor’s employee may be entitled to these rights via contract of employment. Typically, a formal assignment is executed to transfer these rights to a patent applicant, who will become the patentee or owner of the patent rights. The patent owner can later assign or license their patent to a third party. The patentee, and in some circumstances an exclusive licensee has the right to bring infringement proceedings against a party infringing the patent.

In summary, for a patent to be granted for an invention, the invention must be new, useful, and not be obvious at the time of lodging the patent application. Subject to limited exceptions, demonstrating, selling, publishing, or otherwise disclosing the invention in public is likely to destroy novelty and thus prevent the grant of a valid patent.

3.2 Patent validity

Grant of a patent does not guarantee that the patent claims are valid. A patent may be invalidated in whole or part on numerous grounds by third party action before a patent office or Court in the country of grant. If found to be invalid, the patent will be unenforceable against third parties. During invalidity proceedings each patent claim will be assessed individually, and as such, individual claims found to be valid will survive an attack and thus remain enforceable.

Neither Griffith Hack nor the respective national patent offices can provide an assurance that granted Sprintex patents are valid and enforceable.

3.3 Payment of renewal fees for patents

Patents are subject to the payment of renewal fees to the relevant Patent Office. Typically, these renewal fees are levied annually and referred to as annuities. Like other government taxes, these annuities will be collected over the life of the granted patent and failure to pay will result in the lapse of the associated patent rights. Depending on the country or region in which the patent application is filed, these annuities may begin while the patent application is pending or may be deferred until after grant of the patent. The cost of these annuities typically increases over the life of the patent.

The patent offices of most countries keep publicly available records in relation to pending and granted patents. The records include bibliographic data, copies of patent specifications and examination reports and status in terms of the payment of annuities for the pending or granted patent. When an annuity has not been paid the status may be shown as “lapsed” or “expired”.

3.4 Granted Patents: Exploitation and Enforcement

Subject to it being valid, once a patent is granted and throughout its lifetime, the patent owner has the exclusive rights to use the patented invention. This means that they can decide to exclusively use it for their own benefit, for example, by application in their own business. Alternatively, they can allow others to use it under the terms of a license agreement. The terms of the license agreement generally define the scope of the use of the patent and the consideration to be paid for the use of it.

In Australia and many other countries, the remedies for unauthorised use (patent infringement) available to the patent owner include an injunction, which effectively stops further infringement of the patent, damages or account of profits, and costs.

4. SPRINTEX PATENT PORTFOLIO

The Sprintex patent portfolio spans two patent families, one for A SUPERCHARGING SYSTEM; and the other for A COMPRESSOR. All patents are granted, there are no pending patent applications.

The Sprintex patents are registered in the name of Sprintex Australasia Pty Ltd which is a wholly owned subsidiary of Sprintex. Sprintex Australasia Pty Ltd acquired the rights to the inventions and corresponding patents by way of assignment from the actual inventor(s) of the corresponding inventions.

A brief (but non-exhaustive) description of the invention of each patent family together with status information on the patents in each family is shown in **Annexure 1** of this Report.

The SUPERCHARGING SYSTEM patent family covers eight countries, while the COMPRESSOR patent family covers six countries. Provided all annuity fees are payed in a timely fashion on the next and subsequent renewal dates all patents will stay in force to their stated maximin term. The only patent that needs any other action is the Indian patent for the SUPERCHARGING SYSTEM. A Statement of Working is due to be filed for this patent at the Indian Patent Office on 31 March 2021 (an annually thereafter for the term of the patent). This is a statement declaring whether the claimed invention is being "worked" or "not worked" in India.

5. TRADE MARKS

5.1 Overview

A trade mark is a "sign" used by traders to distinguish their goods and/or services from those of other traders. The sign may be in the form of a word, phrase, letter, number, sound, smell, shape, logo, picture, aspect of packaging or a combination of these.

Only trade marks which are capable of distinguishing goods and/or services from other traders can be registered. As a result, it can be difficult to register a trade mark that is descriptive or that denotes the kind, quality, intended purpose or value of goods and/or services. It can also be difficult to register a trade mark is if is deemed to be deceptively similar to an earlier-filed trade mark.

A trade mark identifies a business as the source of the goods and/or services and as a result enables them to distinguish the goods and/or services from those of other traders. This can lead to brand loyalty as the public will associate a certain quality or image with the goods and/or services bearing the trade mark which can provide a competitive edge in order to grow the business.

Brand loyalty is important as a trade mark remains valid as long as it is actively used in relation to the goods and/or services for which it is registered.

5.2 Registration

The registration of a trade mark is effective for ten years in the country of registration and can be renewed for further ten-year periods, subject to payment of renewal fees. The registration of a trade mark grants the registered owner the exclusive right to use and authorise the use of the trade mark in relation to the goods and services for which it is registered. It also enables the registered owner to take action against the unauthorised use of the trade mark by a third party.

5.3 Trade Marks of Sprintex Australasia Pty Ltd

Sprintex, through its wholly owned subsidiary Sprintex Australasia Pty Ltd is the owner of registrations and applications for the trade mark SPRINTEX in various countries in relation to goods including compressors, expanders, and superchargers. The European Union trade mark covers all countries of the European Union. The trade mark is registered in all countries listed in Annexure 2 except for the USA where an application for trade mark registration is currently pending.

Details of these trade marks are set out in **Annexure 2**.

6. LIMITATION AND DISCLAIMERS

6.1 Search limitation

6.1.1 General

The prior art (or "novelty") searches conducted by the various Patent Offices to determine whether a patent should be granted are not without limitation. For example, the databases used in searching can fail to include older published documents, and in some instances, do not cover certain jurisdictions. All searches are subject to the accuracy and scope of the material searched as well as the classification criteria adopted by each Patent Office. The search results provided by a Patent Office give a reasonable indication of patentability; however, there is no guarantee that all relevant prior art has been identified for consideration. As such, any conclusions about the validity of the claims in a patent based on Patent Office searches should not be regarded as conclusive.

6.1.2 Unpublished Documents

Searches cannot locate documents which have not been published at the time of conducting the search. In most countries, publication of a patent application does not occur until 18 months from the earliest priority date. Delays between official publication and the implementation of information onto the relevant databases can also occur. As such, documents that have not yet been published may not be revealed in a search.

6.1.3 Non-patent prior art documents

No search has been conducted at this time in relation to non-registerable prior art, i.e. forms of prior art such as prior public use, oral disclosures, prior commercial exploitation and prior publication in non-patent literature, which cannot be searched systematically.

6.1.4 Commercialisation/Secret Use

The commercialisation or secret use of an invention before the earliest priority date of a corresponding patent application can affect the patentability of the invention and the validity of any patent granted for the invention. Such commercialisation or secret use will not be identified by documentary searches of publicly accessible databases.

6.2 Scope of Claims may vary From Country to Country

The claims of corresponding family members in different countries and regions may and indeed will often vary in scope reflecting the application of the local patent law during prosecution of the patent application. Such amendments necessitate the review of granted claims of each family member as to the commercial significance of the monopoly claimed and the protection afforded the commercial product in the relevant jurisdiction.

6.3 Infringement of the rights of others

Searches conducted on patent subject matter cannot provide any guarantee that commercialisation of the patented invention will not risk infringement of third party rights. For example, patent novelty searches will focus on disclosed inventions that are relevant to the technical filed of the invention, whether these patents/patent applications are on foot and liable to be infringed will not be searched. These novelty type searches are to be distinguished from infringement searches (or Freedom-to-operate searches) which focus on whether the patentee's commercial product will infringe the rights of a third party is exploited in a given country or region.

6.4 Reliance on information provided

The preparation of this Report relied on information from Griffith Hack in combination with information contained in publicly available databases relevant to the patents in **Annexure 1** and trademarks in **Annexure 2.** Griffith Hack takes no responsibility for the accuracy of information available in public databases and cannot guarantee the accuracy of the information obtained from those databases. No additional searching for patents, trade marks, or related or similar patents or trade marks was carried out by Griffith Hack.

7. GRIFFITH HACK'S INTEREST

Griffith Hack is engaged by Sprintex for the purposes of producing this Report. No employee of Griffith Hack has any financial interest in Sprintex over and above the fees charged for the professional work done. The fees charged for the preparation of this Report are based upon Griffith Hack's standard rates of charging.

8. QUALIFICATIONS

Griffith Hack is a firm of patent and trade mark attorneys and lawyers that provide advice in relation to all aspects of intellectual property. Griffith Hack has extensive experience protecting and defending intellectual property rights and commercialising products and services. Griffith Hack provides a comprehensive intellectual property service through its patent and trade mark attorney practices, law firm, consultancy arm and through its partnership with a major international renewal service.

9. CONSENT

Consent for the inclusion of this Report in a Prospectus to be issued by Sprintex, in the form in which it now appears, is granted by Griffith Hack, as at the date of this Report and has not been withdrawn prior to lodgement of the Prospectus with the Australian Securities and Investments Commission.

Yours sincerely

A. P. (Tony) Mizzi
Principal
tony.mizzi@griffithhack.com
+61 08 9213 8309

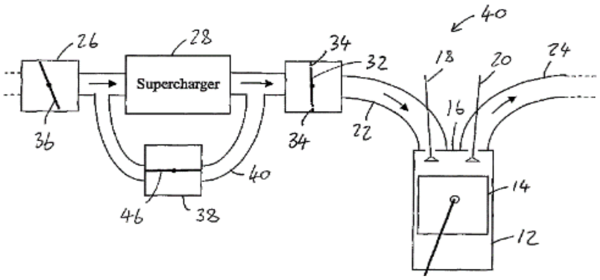
ANNEXURE 1 - A

Patents in the name of Sprintex Australasia Pty Ltd

A SUPERCHARGING SYSTEM

Inventors	UPTON, Jude Benedict; WALMSLEY, Timothy John; HENRY, Carl Carisbrook; GOBBY, Derek Alfred

A supercharging system (40) comprises a supercharging device (28) having at least one inlet port (42) and at least one outlet port (44), and at least one idle valve (30) in fluid communication with the supercharging device (28). The idle valve (30) is disposed adjacent the outlet port (44) and is arranged to selectively restrict fluid flow during use in a direction through the idle valve (30) towards the supercharging device (28). A corresponding supercharging kit and an internal combustion engine including a supercharging system are also disclosed.



Country	Appln. No.	Filing Date	Patent No.	Status	Next Renewal Date	Maximum Term
China	200680053663.3	09 Feb 2006	ZL200680053663.3	Granted	9 February 2021	9 February 2026
France	06704851.2	09 Feb 2006	1984608	Granted	28 February 2021	28 February 2026
Germany	06704851.2	09 Feb 2006	602006028441.1	Granted	28 February 2021	28 February 2026
India*	4608/CHENP/2008	09 Feb 2006	276973	Granted	9 February 2021	9 February 2026
Italy	06704851.2	09 Feb 2006	1984608	Granted	28 February 2021	28 February 2026
Malaysia	PI20060733	21 Feb 2006	MY-142631-A	Granted	14 December 2020	21 February 2026
United Kingdom	06704851.2	09 Feb 2006	1984608	Granted	28 February 2021	28 February 2026
United States of America	12/278640	09 Feb 2006	8186157	Granted	29 November 2023	9 February 2026
India*: Statement of Working due 31 March 2021						

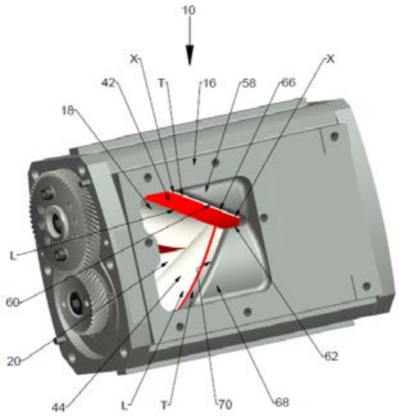
ANNEXURE 1 - B

Patents in the name of Sprintex Australasia Pty Ltd

A COMPRESSOR

Inventors	UPTON, Jude Benedict;

A compressor 10 comprises counter rotating and intermeshing twisted rotors 18 and 20 disposed in a housing having an air intake plate 28 and an outlet 16. The outlet 16 has a first edge 60 and a second edge 70 which run parallel with a length of the rotors 18 and 20 respectively. A gap 62 is formed in the outlet near a junction of the edges 60 and 70. Air which is compressed by the rotors 18 and 20 is able to bleed through the gap 62 in advance of trailing edges of lobes of at least one of the rotors 18 passing its corresponding edge 60. Also the rotors 18, 20 are arranged so that the trailing edge of a lobe of rotor 18 passes edge 60 before a trailing edge of a lobe of rotor 20 passes edge 70.



Country	Appln. No.	Filing Date	Patent No.	Status	Next Renewal Date	Maximum Term
France	10755332.3	29 Mar 2010	2411678	Granted	31 March 2021	31 March 2030
Germany	10755332.3	29 Mar 2010	60 2010 048 487.4	Granted	31 March 2021	31 March 2030
Malaysia	PI2011004615	29 Mar 2010	MY-164698-A	Granted	29 January 2021	29 March 2030
Republic of Korea*	10-2011-7025368	29 Mar 2010	10-1792599	Granted	26 October 2020*	29 March 2030
United Kingdom	10755332.3	29 Mar 2010	2411678	Granted	31 March 2021	31 March 2030
United States of America	13/260608	29 Mar 2010	9528516	Granted	27 June 2024	29 March 2030

*Republic of Korea: We are in the process of attending to the renewal of this patent to 26 October 2021, at which time the next renewal fee will be due.

ANNEXURE 2

Trade Marks in the name of Sprintex Australasia Pty Ltd

Country	Official No	Trade Mark	Application Date	Next Renewal Date	Class/Goods
Australia	428763	SPRINTEX	24 Jun 1985	24 June 2026	12 - Compressors, expanders, surperchargers, and parts therefor all intended for use with land vehicles being goods included within 12
Canada	410998	SPRINTEX	05 Dec 1989	16 April 2023	07 - Automotive compressors, expanders, superchargers and parts therefor
European Union	879517	SPRINTEX	09 Feb 2006	9 February 2026	12 - Compressors, expanders, surperchargers, and parts therefor all intended for use with land vehicles being goods included within class 12
India	1421719	SPRINTEX	15 Feb 2006	15 February 2026	12 - Compressors, expanders, superchargers, and parts therefor all intended for use with land vehicles being goods included within class 12
Indonesia	IDM000143478	SPRINTEX	11 Apr 2006	11 April 2026	12 - Compressors, expanders, superchargers, and parts therefor all intended for use with land vehicles being goods included within class 12
Malaysia	06002398	SPRINTEX	21 Feb 2006	21 February 2026	12 - Compressors, expanders being components for land vehicles, and parts thereof all intended for use with land vehicles being goods; all included in class 12.
Mexico	933691	SPRINTEX	25 Apr 2006	25 April 2026	07 - Compressors, expanders, superchargers, and parts therefor all intended for use with land vehicles being goods included within class 7
Thailand	TM265184	SPRINTEX	28 Feb 2006	27 February 2026	12 - Compressors, expanders, surperchargers, and parts therefor all intended for use with land vehicles being goods included within class 12
United Kingdom	B1316000	SPRINTEX	16 Jul 1987	16 July 2028	07 - Compressors, expanders and supercharges; parts for all the aforesaid goods; all included in class 7
United States of America	92035674	SPRINTEX	6 Oct 2020	*Due after Registration*	07 - Automotive compressors, expanders, superchargers and parts therefor; all included in class 7

SPRINTEX LIMITED
ACN 106 337 599

Share Registrars use only	Broker/Dealer stamp only

Offer Application Form

This is an Application Form for Shares in Sprintex Limited (**Company**) and relates to the offer to the public of 75,581,396 Shares at an issue price of $0.086 per Share to raise $6,500,000 (**Public Offer**). The Public Offer is scheduled to close at 5:00pm (WST) on 16 November 2020 (Closing Date) unless extended, closed early or withdrawn. Applications must be received before that time to be valid. A person who gives another person access to this Application Form must at the same time give the other person access to the Prospectus and any additional supplementary prospectuses (if applicable).

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.

1 Number of Shares you are applying for

☐☐☐ , ☐☐☐ , ☐☐☐

2 Total amount payable (multiply box 1 by $0.086 per share)

A$ ☐☐ , ☐☐☐ , ☐☐☐ . ☐☐

Applications for Shares must be a minimum of 23,256 Shares ($2,000.00) and thereafter in multiples of 5,814 Shares ($500.00).

3 Write the name(s) you wish to register the Shares in (see reverse for instructions)

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

4 Write your postal address here – to be registered against your holding

Number/Street

Suburb/Town

State

Postcode

5 CHESS Participants only – Holder Identification Number (HIN)

X

Note: if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

6 **EMAIL ADDRESS** (*see reverse of form – this is for all communications legally permissible and despatched by the Company*)

7 **TFN/ABN/EXEMPTION CODE**

Applicant 1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box ☐
C = Company; P = Partnership; T = Trust; S = Super Fund

8 **PAYMENT DETAILS**

You may elect to pay your Application Monies via either BPAY® or cheque (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.

Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "**SPRINTEX LIMITED**" crossed "**NOT NEGOTIABLE**" and forwarded to Advanced Share Registry to arrive no later than the Closing Date.

		Drawer	Bank	Branch	Amount
☐	Please enter cheque, bank draft or money order details				$
OR					
☐	B PAY	**Payment by BPAY® (if selected, your Application Form does not need to be completed and returned):** To pay via BPAY® please complete the online form available at www.advancedshare.com.au/ipo.aspx and payment details will then be emailed to your nominated email address.			

9 **CONTACT DETAILS**

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Telephone Number
(   )

Contact Name (PRINT)

10 **DECLARATION AND STATEMENTS**

By lodging this Offer Application Form:

- I/We declare that I/we have received a copy of the Prospectus dated 19 October 2020 issued by the Company and that I/we are eligible to participate in the Offer.
- I/We declare that all details and statements made by me/us are complete and accurate.
- I/We agree to be bound by the terms and conditions set out in the Prospectus and by the Constitution of the Company.
- I/We acknowledge that the Company will send me/us a paper copy of the Prospectus free of charge if I/we request so during the currency of the Prospectus.
- I/we authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and
- I/We acknowledge that returning this Offer Application Form with the application monies will constitute my/our offer to subscribe for Shares in the Company and that no notice of acceptance of this Application will be provided.

INSTRUCTIONS FOR COMPLETION OF THIS OFFER APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS OFFER APPLICATION FORM

Please complete all relevant sections of this Offer Application Form using BLOCK LETTERS.

The below instructions are cross-referenced to each section of the Offer Application Form.

1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be a minimum of 23,256 Shares ($2,000.00) and thereafter in multiples of 5,814 Shares ($500.00).

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by $0.086 – the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.advancedshare.com.au

5 CHESS Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

6 Email Address

The Company's annual report and company information will be available at www.sprintex.com.au. You may elect to receive all communications despatched by Sprintex Limited electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.

8 PAYMENT DETAILS

By making your payment, you confirm that you agree to all of the terms and conditions of the Offer as outlined on this Offer Application Form and within the Prospectus.

Payment by Cheque

If Paying by Cheque, your cheque should be made payable to "**SPRINTEX LIMITED**" in Australian currency, crossed "**NOT NEGOTIABLE**" and drawn on an Australian branch of a financial institution. Please complete your cheque with the details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Offer Application Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your Application will be rejected.

Payment by BPAY®

If paying by BPAY, please complete the online form available at www.advancedshare.com.au/ipo.aspx and payment details will then be emailed to your nominated email address.

9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your Offer Application Form.

10 Declaration

Before completing the Offer Application Form the Applicant(s) should read the Prospectus in full. By lodging the Offer Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of the Prospectus agrees to take any number of Shares equal to or less than the number of Shares indicated in Section 1 that may be issued to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign this Offer Application Form.

HOW TO LODGE YOUR OFFER APPLICATION FORM

Mail or deliver your completed Offer Application Form with your cheque to the following address.

Mailing Address
Sprintex Limited
C/- Advanced Share Registry Limited
PO Box 1156
NEDLANDS WA 6909

Hand Delivery
Sprintex Limited
C/- Advanced Share Registry Limited
110 Stirling Highway
NEDLANDS WA 6009