Appendix 4D
(Rule 4.2A.3)

Half year report

Name of entity	ABN
SPRINTEX LIMITED	38 106 337 599

1. Details of the Reporting Period and the Previous Corresponding Period

Financial period ended ("current period")	Financial period ended ("previous period")
31 December 2019	31 December 2018

2. Results for Announcement to the Market

					$'000
2.1	Revenues from ordinary activities	down	37.3%	to	672
2.2	Loss from ordinary activities after tax attributable to members	down	10.1%	to	1,614
2.3	Net loss for the period attributable to members	down	10.1%	to	1,614
2.4	Dividends	Amount per security		Franked amount per security	
	Interim dividend	$Nil		$Nil	
2.5	Record date for determining entitlements to the dividend			N/A	
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable to figures to be understood				
	Please refer to the Directors' Report in the Half Year Report which has been subject to independent review by the Auditors, PKF Perth for detailed explanation.				

3. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	($0.061)	($0.045)

4. Control Gained or Lost Over Entities

4.1	Name of entity (group of entities)	N/A
4.2	Date control gained or lost	N/A
4.3	Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A

5. Dividends

The Company has not declared or paid any final dividends for the 2018/2019 year or interim dividend for current period.

6. Dividend Reinvestment Plans

The Company has no dividend reinvestment plan.

7. Details of Associates and Joint Venture Entities

See Note 5 to the Half-year Report

8. Foreign Entities

Not Applicable.

9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

The report has been issued with a Qualified Conclusion and Material Uncertainty related to Going Concern. See pages 17 to 19 of the Half-Year Report.

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

HALF-YEAR REPORT

FOR THE HALF-YEAR ENDED
31 DECEMBER 2019

S P R I N T E X L I M I T E D
A N D C O N T R O L L E D E N T I T I E S

CONTENTS

CORPORATE INFORMATION

ASX Code: SIX

ABN 38 106 337 599

Directors
R Siemens, Chairman
D White, Deputy Chairman
M Wilson
R O'Brien
R Lau

Company Secretary
R Molkenthin

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Unit 2 / 63 Furniss Road
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T: +61 8 9262 7277

Share Register
Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009
T: +61 8 9389 8033

Bankers
National Australia Bank
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Malaga WA 6090

Auditors
PKF Perth
Level 4, 35 Havelock Street
West Perth WA 6005

Solicitors
Allion Partners
Level 9, 863 Hay Street
Perth WA 6000

This financial report covers the Consolidated Entity comprising Sprintex Limited ("the Company" or "Sprintex") and its subsidiaries ("the Group"). The Group's functional and presentation currency is AUD ($).

DIRECTORS' REPORT

Your directors present their report on the Consolidated Entity consisting of Sprintex Limited (the Company) and the entities it controlled for the six months ended 31 December 2019.

Directors

The directors of the Company in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Richard John Siemens	Non-Executive Chairman
David Kenneth White	Deputy Chairman
Michael John Wilson	Non-Executive Director
Richard John O'Brien	Non-Executive Director
Raymond Wai Ming Lau	Non-Executive Director

Principal Activities

The principal activity of Sprintex Limited ("Sprintex") and the entities it controlled for the six months ended 31 December 2019 was the manufacture and distribution of the patented range of Sprintex® superchargers and supercharger systems.

Review and Results of Operations

The Consolidated Entity recorded a decrease in the net loss from $1,795,266 for the half-year period ended 31 December 2018 to $1,613,793 for the current half-year. Sales for the half-year were $671,816 (2018: $1,071,598) representing a decrease of 37.3%. Gross profit on sales for the half-year ended 31 December 2019 was $74,909, compared to a gross profit of $263,781 for the same period in 2018.

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

1. Further development and refinement of the supercharger system on additional models within the Chrysler/Jeep Pentastar range of vehicles, including the new JL, tuning solutions for the current ranges of vehicles, as well as looking at potential for other OEM platforms, including Ford and GM.
2. After achieving CARB (California Air Resources Board) approval in June 2016 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, the Group was successful in obtaining CARB certification on the Toyota 86/Subaru BRZ range. All main product lines for the Company have now achieved CARB certification and meet or exceed emission requirements in 50 states in the USA.
3. Continued development of the supercharger and system to provide a Stage 2 option on the V6 Pentastar and Toyota 86/Subaru BRZ.
4. Ongoing expansion and development of the North American market for the Company's products.
5. Expansion and development in the Asia and Middle East markets for the Company's products.
6. Research and development of an OEM twin boosted system.
7. Research and development of an OEM high torque at low RPM system for diesel platforms.

During the period, $342,300 was received from Wilson's Pipe Fabrications Pty Ltd ("WPF"). WPF is a related party of the Company by virtue of WPF being an entity controlled by Mr Michael Wilson, a substantial shareholder and a non-executive Director of the Company. This funding is unsecured and attracts interest at 9% per annum. In the event repayment of the loans is by way of offset against consideration payable by the Company to WPF under the Capital Raising Exercise (see Note - Events After Reporting Date), all interest accrued on the Loans will be waived absolutely.

Events after Reporting Date

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

On 26 February 2020, the Company signed a Binding Term Sheet with Indian Ocean Corporate Pty Ltd for the recapitalisation and issue of new shares to raise between AUD3.6 million to AUD4.6 million through the issue of between 41.86 million and 53.49 million New Shares at an issue price of 8.6 cents per share. This recapitalisation plan also includes the following conditions:

a) Existing shareholder loans from China Automotive Holdings Limited ("CAHL") of US$1,950,000 (equivalent to approx. AUD2.911million) will be forgiven,

b) Subject to obtaining shareholder approval, existing shareholder loans from Wilson's Pipe Fabrications Pty Ltd ("WPF") of AUD1.34 million will be converted to 8,604,651 New Shares and AUD600,000 will be repaid.

c) Subject to obtaining shareholder approval, Ganado Investments Corporation Ltd ("GICL") has also agreed to capitalise amounts owing by the Company (US$1,110,000, which is equivalent to approximately AUD1,681,818) on the same terms and price as the loans to be capitalised by WPF, resulting in the issue of approximately 19.56 million New Shares to GICL (or its nominee). Ganado, an unrelated third party, is an investment holding company, registered in St Lucia, which is controlled by Mrs Jennifer Saran.

d) The Company has also reached an agreement with AutoV Corporation Sdn. Bhd. ("AutoV") to acquire their 50% interests in the Malaysian joint venture, Proreka Sprintex Sdn. Bhd., for consideration of US$250,000 which will be fully settled by way of issuance of New Shares on the same terms and price as the loans to be capitalised by WPF and GICL, resulting in the issue of approximately 4.4 million New Shares. Upon completion of the acquisition, Sprintex will take full control of the joint venture which owns the facility that manufactures the Company's supercharger units.

e) It is anticipated that approximately 86.05 million New Shares will be issued as a result of the re-capitalisation and issue of New Shares. These New Shares will rank equally in all respects with the Company's existing shares. The Company will apply to ASX for quotation of all of these New Shares.

f) The proposed share issues to the parties above are conditional upon:

   i. the ASX confirming the conditions that the Company needs to satisfy in order for the recommencement of quotation of its shares on ASX and the Company determining that it is able to satisfy these conditions; and

   ii. shareholder and other approvals required in order to give effect to the transactions under Listing Rules 7.1.

   iii. all current Directors agreeing to resign from the Board upon completion of the recapitalisation, issue of New Shares and relisting of the Companies securities on the ASX.

The Company considers that, upon completion of the transactions outlined above, the Company's financial condition should be adequate to warrant the reinstatement of its securities for quotation on the ASX. The reinstatement of the Company's securities for quotation is at the discretion of the ASX including with respect to satisfaction of the Listing Rules. There is no guarantee that the securities of the Company will be reinstated and if so when.

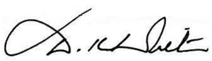
On 25 March 2020, the Company received the R&D tax incentive rebate of $696,686 for the financial year ended 30 June 2019.

Additional working capital funding of $471,000 was received from Wilson's Pipe Fabrications Pty Ltd ("WPF") during the period January 2020 to March 2020 quarter and a partial repayment of $92,000 was made in March 2020. WPF is a related party of the Company as WPF is an entity controlled by Mr. Michael Wilson, a substantial shareholder and a non-executive Director of the Company.

Auditor's Independence Declaration

The auditor's independence declaration for the half-year ended 31 December 2019 has been received and is included at Page 5 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.



David White
Deputy Chairman
Perth, 14 May 2020

Advisory • Audit
Business Solutions

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF SPRINTEX LIMITED

In relation to our review of the financial report of Sprintex Limited for the half year ended 31 December 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

SHANE CROSS
PARTNER

14th May 2020
WEST PERTH,
WESTERN AUSTRALIA

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTES	31 December 2019 $	30 June 2019 $
CURRENT ASSETS			
Cash and cash equivalents	9	34,237	600,551
Pledged bank deposits	3	30,000	30,000
Trade and other receivables	4	91,777	199,937
Inventories		278,816	349,812
TOTAL CURRENT ASSETS		**434,830**	**1,180,300**
NON-CURRENT ASSETS			
Property, plant and equipment		224,582	261,585
TOTAL NON-CURRENT ASSETS		**224,582**	**261,585**
TOTAL ASSETS		**659,412**	**1,441,885**
CURRENT LIABILITIES			
Trade and other payables	6	1,110,132	552,871
Borrowings	7	5,483,578	5,123,366
Provisions		130,266	212,265
TOTAL CURRENT LIABILITIES		**6,723,976**	**5,888,502**
NON-CURRENT LIABILITIES			
Borrowings	7	48,627	61,235
TOTAL LIABILITIES		**6,772,603**	**5,949,737**
NET ASSETS / (LIABILITIES)		**(6,113,191)**	**(4,507,852)**
EQUITY			
Contributed equity	8	56,477,246	56,477,246
Reserves		93,159	84,705
Accumulated losses		(62,683,596)	(61,069,803)
TOTAL EQUITY		**(6,113,191)**	**(4,507,852)**

The consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019 $	31 December 2018 $
Revenue	671,816	1,071,598
Cost of goods sold	(596,907)	(807,817)
Gross profit	**74,909**	**263,781**
Other income	337	7,851
Distribution and marketing expenses	(82,820)	(224,471)
Research and development expenses	(290,689)	(524,795)
Joint venture impairment expense	(311,409)	(84,417)
Administration expenses	(1,006,615)	(1,001,300)
Other Expenses	10,312	(143,395)
Operating loss	**(1,605,975)**	**(1,706,746)**
Finance costs	(7,818)	(88,520)
Loss before income tax expense	**(1,613,793)**	**(1,795,266)**
Income tax	-	-
Net loss for the period	**(1,613,793)**	**(1,795,266)**
Other comprehensive income for the period (net of tax)		
Items that maybe reclassified subsequently to profit and loss		
- Movement in foreign translation reserve	8,454	25,357
Total comprehensive loss for the period	**(1,605,339)**	**(1,769,909)**
Loss per share attributable to the ordinary equity holders of the Company		
Basic (cents per share)	1.61	1.80
Diluted (cents per share)	1.61	1.80

The consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Contributed equity	Reserves		
	Ordinary shares	**Foreign translation reserve**	**Accumulated Losses**	**Total**
	$	$	$	$
For the half-year ended 31 December 2019				
Balance at 1 July 2019	**56,477,246**	**84,705**	**(61,069,803)**	**(4,507,852)**
Loss for the period	-	-	(1,613,793)	(1,613,793)
Movement in the foreign translation reserve	-	8,454	-	8,454
Total Comprehensive Income	-	8,454	(1,613,793)	(1,605,339)
Balance at 31 December 2019	**56,477,246**	**93,159**	**(62,683,596)**	**(6,113,191)**
For the half-year ended 31 December 2018				
Balance at 1 July 2018	**56,477,246**	**(41,600)**	**(58,131,769)**	**(1,696,123)**
Loss for the period	-	-	(1,795,266)	(1,795,266)
Movement in the foreign translation reserve	-	25,357	-	25,357
Total Comprehensive Income	-	25,357	(1,795,266)	(1,769,909)
Balance at 31 December 2018	**56,477,246**	**(16,243)**	**(59,927,035)**	**(3,466,032)**

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	NOTES	31 December 2019 $	31 December 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		689,592	1,252,097
Payments to suppliers and employees		(1,336,651)	(1,955,544)
Interest and finance lease charges paid		(356)	(43,168)
Interest received		-	307
Net cash flows used in operating activities		(647,415)	(746,308)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advance to joint venture		(261,768)	(355,329)
Proceeds from sale of property, plant and equipment		-	187,000
Net cash flows used in investing activities		(261,768)	(168,329)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		342,300	885,834
Net cash flows generated from financing activities		342,300	885,834
Net (decrease) / increase in cash and cash equivalents		(566,883)	(28,803)
Cash and cash equivalents at the beginning of the period	9	600,551	87,022
Effect of movement in exchange rates on cash held		569	-
Cash and cash equivalents at the end of the period	9	34,237	58,219

The consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

1. Significant Accounting Policies

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* as issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* as appropriate for "for-profit" oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Basis of preparation

The principal accounting policies adopted are consistent with those adopted in the annual financial report for the year ended 30 June 2019, and the corresponding interim reporting period, unless otherwise stated, and the condensed consolidated financial statements have been prepared on the historical cost basis, except for investments, which have been measured at fair value.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year financial report should be read in conjunction with the annual report of the Group for the year ended 30 June 2019, and any public announcements made by the Group during the interim period, in accordance with continuing disclosure requirements of the Corporations Act 2001.

The financial statements were authorised for issue in accordance with a resolution of the directors, on 14 May 2020.

New, revised or amending Accounting Standards

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current half-year. There has been no material impact on the adoption of these.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (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 will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. 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.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Group has a net liability position of $6,113,191 as at 31 December 2019 and incurred a loss of $1,613,793 and net operating cash outflow of $647,415 for the six month period ended 31 December 2019.

The Company's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on a number of factors, including:

- the ability to raise sufficient working capital to ensure the continued implementation of the Group's business plan; and
- delivery of existing and new products through the Group's distribution network to generate sales revenues and positive cash flows.
- the successful completion of the restructure, recapitalisation and issue of new shares to raise between AUD3.6 million to AUD4.6 million as detailed within the signed Binding Term Sheet signed 26 February 2020, and set out within Note 11.
- all the pre-conditions set out in Note 11 relating to the above restructure and recapitalisation plan being satisfied:
- the receipt of the 2019 Research & Development (R&D) tax offset of $696,686, which was received on 25 March 2020.

The financial report has been prepared on a going concern basis. In arriving at this position the directors have had regard to the fact that the Group has, or in the directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

Should the Group not achieve the matters set out above, there is material uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

With the increasing disruption to normal economic and business activity, as a result of the COVID-19 pandemic announced by the World Health Organisation in March 2020 and the Federal Government's subsequent announcements of protocols that have already been instigated and the potential for others, the likelihood of normal business operating conditions prevailing in the near term is uncertain. This creates a level of uncertainty about the future trading outlook for all organisations in Australia and the Company is no exception. It is not possible to reliably assess the potential impacts at the present time. Consequently the Directors believe that this represents a material uncertainty that casts significant doubt as to whether the Company will be able to continue as a going concern and pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

2. Operating Segment

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 operates in one segment, being the manufacture and distribution of the patented range of Sprintex® superchargers and supercharger systems. These products are complementary, produced using similar production processes and sold to similar customers through the same distribution channels.

NOTES TO FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

3. Pledged Bank Deposits

Pledged bank deposits at 31 December 2019 represented a term deposit of $30,000 which matured on 30 April 2020, bearing interest at 2.20% per annum supporting credit card facilities. The renegotiation on the terms of the deposit, which has been extended, have not yet been concluded.

	31 December 2019 $	30 June 2019 $
4. Trade and Other Receivables		
Trade receivables	16,265	31,933
Trade deposits	29,649	127,070
Prepayments	45,863	40,934
	91,777	199,937

Trade deposits

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

5. Investment in a Joint Venture

Proreka Sprintex Sdn. Bhd. is a Malaysian company which is 50% owned by the Company and owns and operates a facility in Malaysia which has been licenced to assemble and manufacture Sprintex® products under licence from the Company.

At 31 December 2019, in view of the losses being incurred by the joint venture, the carrying value of the balances with the joint venture were deemed to be fully impaired.

	31 December 2019 $	30 June 2019 $
6. Trade and Other Payables		
Trade payables	753,330	191,839
Other payables	356,802	361,032
	1,110,132	552,871

	31 December 2019 $	30 June 2019 $
7. Borrowings		
Current		
Insurance premium funding	23,659	-
Finance lease liabilities	24,399	30,621
Short term loans (b)	5,435,520	5,092,745
	5,483,578	5,123,366
Non-current		
Finance lease liabilities	48,627	61,235

(a) The average effective interest rate on finance lease liabilities approximated 5.70% (30 June 2019: 5.18%) per annum in the period. The carrying value of leased plant and equipment as at 31 December 2019 was $55,406 (30 June 2019: $91,856). Other details of finance lease liabilities are disclosed in note 10.

(b) Short term loans comprise:

- US$1,950,000 ($AUD 2,774,011) from China Automotive Holdings Limited ("CAHL") a related party of the Company by virtue of CAHL being an entity controlled by Mr Richard Siemens, the non-executive Chairman of the Company .

- $1,082,456 (comprising US$450,000 and $AUD 442,300) from Wilson's Pipe Fabrication Pty Ltd ("WPF") a related party of the Company by virtue of WPF being an entity controlled by Mr Michael Wilson, a substantial shareholder and a non-executive Director of the Company, and

- $1,579,053 (US$1,110,000) from Ganado Investments Corporation Ltd ("GICL"), an unrelated third party, is an investment holding company, registered in St Lucia, which is controlled by Mrs Jennifer Saran.

8. Contributed Equity

	31 December 2019 $	30 June 2019 $
Paid up capital – ordinary shares	57,918,212	57,918,212
Capital raising costs capitalised	(1,440,966)	(1,440,966)
	56,477,246	56,477,246

(a) Ordinary Shares

Movements in Ordinary Share Capital	**Number of shares**	**$**
Balance at 1 July 2019	100,000,000	56,477,246
Balance as at 31 December 2019	100,000,000	56,477,246

9. Cash and Cash equivalents

	31 December 2019 $	30 June 2019 $
For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following amounts:		
Cash	34,237	600,551
Cash and cash equivalents	34,327	600,551

10. Commitments and Contingencies

The only changes to the commitments and contingencies disclosed in the most recent annual financial report are specified below.

(a) Finance Lease and Hire Purchase commitments

Since 30 June 2019, the Company repaid several leases in respect of certain plant and equipment and motor vehicles under finance leases and the present value as at 31 December 2019 is recorded within borrowings. The revised finance lease and hire purchase commitments for the Company are as follows:

	31 December 2019 $	30 June 2019 $
Within one year	28,357	35,345
After one year but not more than five years	52,077	66,472
Total minimum lease payments	80,434	101,818
Less: amounts representing finance charges	(7,408)	(9,962)
Present value of minimum lease payments	73,026	91,856
Included in the financial statements as:		
Current interest-bearing liabilities	24,399	30,621
Non-current interest-bearing liabilities	48,627	61,235
	73,026	91,856

(b) There have been no significant changes to operating lease commitments or capital commitments since 30 June 2019.

11. Events after Reporting Date

In the interval between the end of the period and the date of this report, in the opinion of the Directors of the Company, no item, transaction or event of a material and unusual nature has occurred which is likely to significantly affect the operations of the Consolidated Entity, or the results of those operations, other than as set out below:

On 26 February 2020, the Company signed a Binding Term Sheet with Indian Ocean Corporate Pty Ltd for the recapitalisation and issue of new shares to raise between AUD3.6 million to AUD4.6 million through the issue of between 41.86 million and 53.49 million New Shares at an issue price of 8.6 cents per share. This recapitalisation plan also includes the following conditions:

a) Existing shareholder loans from China Automotive Holdings Limited (“CAHL”) of US$1,950,000 (equivalent to approx. AUD2.911million) will be forgiven,

b) Subject to obtaining shareholder approval, existing shareholder loans from Wilson’s Pipe Fabrications Pty Ltd (“WPF”) of AUD1.34 million will be converted to 8,604,651 New Shares and AUD600,000 will be repaid.

c) Subject to obtaining shareholder approval, Ganado Investments Corporation Ltd (“GICL”) has also agreed to capitalise amounts owing by the Company (US$1,110,000, which is equivalent to approximately AUD1,681,818) on the same terms and price as the loans to be capitalised by WPF, resulting in the issue of approximately 19.56 million New Shares to GICL (or its nominee). Ganado, an unrelated third party, is an investment holding company, registered in St Lucia, which is controlled by Mrs Jennifer Saran.

d) The Company has also reached an agreement with AutoV Corporation Sdn. Bhd. (“AutoV”) to acquire their 50% interests in the Malaysian joint venture, Proreka Sprintex Sdn. Bhd., for consideration of US$250,000 which will be fully settled by way of issuance of New Shares on the same terms and price as the loans to be capitalised by WPF and GICL, resulting in the issue of approximately 4.4 million New Shares. Upon completion of the acquisition, Sprintex will take full control of the joint venture which owns the facility that manufactures the Company’s supercharger units.

e) It is anticipated that approximately 86.05 million New Shares will be issued as a result of the re-capitalisation and issue of New Shares. These New Shares will rank equally in all respects with the Company’s existing shares. The Company will apply to ASX for quotation of all of these New Shares.

f) The proposed share issues to the parties above are conditional upon:

(i) the ASX confirming the conditions that the Company needs to satisfy in order for the recommencement of quotation of its shares on ASX and the Company determining that it is able to satisfy these conditions; and

(ii) shareholder and other approvals required in order to give effect to the transactions under Listing Rules 7.1.

(iii) all current Directors agreeing to resign from the Board upon completion of the recapitalisation, issue of New Shares and relisting of the Companies securities on the ASX

The Company considers that, upon completion of the transactions outlined above, the Company's financial condition should be adequate to warrant the reinstatement of its securities for quotation on the ASX. The reinstatement of the Company's securities for quotation is at the discretion of the ASX including with respect to satisfaction of the Listing Rules. There is no guarantee that the securities of the Company will be reinstated and if so when.

On 25 March 2020, the Company received the R&D tax incentive rebate of $696,686 for the financial year ended 30 June 2019.

Additional working capital funding of $471,000 was received from Wilson's Pipe Fabrications Pty Ltd ("WPF") during the period January 2020 to March 2020 quarter and a partial repayment of $92,000 was made in March 2020. WPF is a related party of the Company as WPF is an entity controlled by Mr. Michael Wilson, a substantial shareholder and a non-executive Director of the Company.

12. Fair Value Measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to be approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Sprintex Limited, we state that:

The directors declare that:

(a). The financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

(i) compliance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporation Regulations 2001*; and

(ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(b). There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

David White
Deputy Chairman
Perth, 14 May 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SPRINTEX LIMITED

Qualified Conclusion

We have reviewed the accompanying half-year financial report of Sprintex Limited (the company) and controlled entities (consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated group comprising the company and the entities it controlled at 31 December 2019, or during the half year.

Based on our review, which is not an audit, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves in relation to the matters detailed in the Basis for Qualified Review Conclusion, we have not become aware of any matter that makes us believe that the half-year financial report of Sprintex Limited and controlled entities is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Qualified Review Conclusion

Opening Balances

During the audit of the financial report for the year ended 30 June 2019, we were unable to obtain sufficient and appropriate audit evidence to support the company's investment and inter-entity loan to the joint venture, Proreka Sprintex Sdn. Bhd. Our opinion on the financial report for the year ended 30 June 2019 was modified accordingly.

Since opening balances affect the determination of the results of operations and cash flows, we are unable to determine whether any adjustments to the results of operations, cash flows and opening accumulated losses might be considered necessary for the year ended 31 December 2019. Our opinion on the current half year's financial report is modified accordingly, as a result of the possible effect of the matter noted above and on the comparability of the current year's figures and corresponding figures.

Joint Venture

As at 31 December 2019 we were unable to obtain sufficient and appropriate review evidence to determine the financial performance and position of the joint venture Proreka Sprintex Sdn. Bhd and, accordingly adjustments that may be necessary to the carrying value of the investment and inter-entity loan.

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USA Taxation Obligations

The consolidated entity has a 100% controlled entity, Sprintex USA Inc, which trades within the United States and which facilitates the sale and distribution of Sprintex products. A limitation of scope exists as we were unable to obtain sufficient and appropriate evidence to ensure the entity's direct and indirect tax obligations in the USA had been appropriately accounted for and disclosed in the financial report. Accordingly, we could not determine whether any adjustments were required to account for the impact of USA taxation obligations.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Material Uncertainty related to Going Concern

Without modifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity is in a net liability position of $6,113,191 as at 31 December 2019, incurred a net loss of $1,613,793 and had negative operating cashflow of $647,415 for the half year ended 31 December 2019. We also refer to Note 11 in the financial report relating to the proposed restructure and recapitalisation of the Company detailed in the binding term sheet dated 26 February 2020. In particular the preconditions required to be satisfied for the completion of the restructure and recapitalisation of the Company. The conditions detailed in Note 1 and 11, indicate the existence of a material uncertainty which 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, and at the amounts stated in the financial report.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated group's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Sprintex Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF Perth

PKF PERTH

SHANE CROSS
PARTNER

14TH MAY 2020
WEST PERTH,
WESTERN AUSTRALIA