Appendix 4E
(Rule 4.3A)

Preliminary final report

Name of entity

Sprintex Limited	ABN: 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")
30 June 2023	30 June 2022

2. **Results for Announcement to the Market**

			$'000	%		$'000
2.1	Revenue from ordinary activities	up	740	150%	to	1,233
2.2	Loss from ordinary activities after tax attributable to members	down	420	10%	to	3,725
2.3	Net loss for the period attributable to members	down	420	10%	to	3,725
2.4	Loss per share	down		18%	at	1.5
2.5	**Brief explanation of results**					

Sprintex Commences Delivery to sHyPs Project

On 17 May 2023, the Company completed manufacture, testing, and commenced delivery of the initial A$270,000 e-compressor order for the European €14m sHyPs hydrogen powered cruise liner decarbonisation program (see ASX 11 April 2023).

The program is expected to bring revenue to Sprintex of approximately $1.5 million for a six-ship trial.

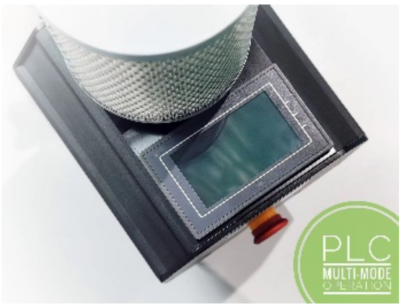
The program is funded by the EU government and includes the re-powering of 6 cruise liners, each with 16 modular hydrogen fuel cell power units of approximately 6mW each for a total of 96mW per ship.

Lighter Smaller Quieter 27-40% Energy Saving Turbo Blowers

On 13 June 2023, the Company advised that it has made significant advances and completed initial energy consumption and wastewater oxygenation efficiency testing on its new G15 self-contained 3kW to 7kW general purpose industrial blower (G15 Turbo Blower) with 'Smart Pulse Aeration' (Sprintex SPA™).

SAE standard testing verified that the G15 Turbo Blower outperforms conventional side-channel style blowers in terms of energy efficiency.

In constant speed operation, the G15 Turbo Blower showcases an impressive 27% energy saving, while incorporating the Sprintex SPA technology yields an even more remarkable 40% energy saving when compared to traditional systems.



PLC Multi-mode

Pulse Aeration Mode

Anti-Surge Control

Smart Pulse Aeration (SPA™) mode allows the integral PLC to vary the air output based on the oxygen content of the water reducing energy wastage and ensuring high efficiency of the process. The Company also lodged a worldwide PCT (patent) application relating to this technology.

Durability of the G15 Turbo Blower is expected to exceed 4 times the lifespan of conventional side channel blowers and has the additional benefits of being 50% lighter, 30% smaller and 10dB quieter than conventional units in the same application.

Testing of a larger 25kW unit is underway.

Capital raised

Loan and Convertible Note

On 1 February 2023, the Company advised that it had secured funding with a face value of A$3,121,000 from Directors, Substantial Holders, and Investors. The funding is by way of Convertible Notes, approved by shareholders at a general meeting held on 13 March 2023 where all resolutions were passed. The proceeds received were net of 12% flat interest, 8% broker commission (where applicable) and repayment of short-term loans.

Each Convertible Note has a conversion price of A$0.075 per fully paid ordinary share ("Share") if converted on or before 31 July 2023, or the lower of A$0.075 per Share and a 10-day VWAP at a 20% discount to the market price for the Company's Shares at the date of the conversion if the Convertible Notes are converted after 31 July 2023, subject to a minimum floor price of A$0.001.

The funds raised through the issue of the Convertible Notes will be utilised towards the working capital of the Company, aimed mainly at allowing the Company to capitalise on commercialising e- compressor sales opportunities.

$1 million notes convert at 7.5c which was over twice market price on 27 June 2023

On 27 June 2023, the Company advised that directors and holders of convertible notes with a face value of $1,000,000 (part of the convertible note mentioned above) converted their notes into 13,333,333 ordinary shares at 7.5 cents per share in accordance with the terms of the convertible notes, being over twice the closing share price on 26 June 2023 (3.3 cents), representing a 127% premium.

This included the Directors converting $300,000 of their notes.

3. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$(0.0087)	$0.0046

4 Control gained or lost over entities having material effect

n/a

5. Dividends

There were no dividends declared or paid during the period and the do not recommend that any dividends be paid.

6. Dividend Reinvestment Plans

Not applicable.

7. Material interest in entities which are not controlled entities

n/a

8. Foreign Entities

This report includes the following foreign subsidiaries:

- Sprintex USA Inc., registered in the Unites States
- Sprintex Clean Air (Malaysia) Sdn. Bhd. (formerly Proreka Sprintex Sdn. Bhd.) registered in Malaysia
- Sprintex Energy Technology (Suzhou) Co., Ltd, registered in China

9. Preliminary Final Report

Refer to the attached Preliminary Final Report for the year ended 30 June 2023 for further details.

This report is based on accounts which are in the process of being audited. The audited Annual Report is expected to be released by 30 September 2023.

Signed by: Date: 31st August 2023

Name: Steven Apedaile
Chairman

SPRINTEX LIMITED

PRELIMINARY FINAL FINANCIAL REPORT

FOR THE YEAR ENDED
30 JUNE 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	2023 $	2022 $
Sales of goods and services		1,232,929	493,318
Revenue		**1,232,929**	**493,318**
Cost of goods sold		(1,180,258)	(452,184)
Gross profit		**52,671**	**41,134**
Other income	5.1	343,235	1,610
Research and development incentive grant		301,739	136,199
Distribution and marketing expenses	5.3, 5.4	(1,290,279)	(1,136,174)
Research and development expenses	5.5	(1,030,696)	(1,310,693)
Impairment of assets	11	-	(1,737,489)
Administration expenses	5.3, 5.4	(1,310,031)	(1,865,253)
Operating profit / (loss)		**(2,933,361)**	**(5,870,666)**
Finance income / (costs)	5.2	(791,626)	(11,662)
Profit (loss) before income tax expense (benefit)		**(3,724,987)**	**(5,882,328)**
Income tax expense / (benefit)	6	-	-
Net profit (loss) for the year		**(3,724,987)**	**(5,882,328)**
Other comprehensive income, net of tax		**-**	**-**
Items that may be reclassified subsequently to profit or loss			
Translation of foreign operations		(667,533)	1,122,054
Total other comprehensive income/(loss), net of tax		**(667,533)**	**1,122,054**
Total comprehensive income/(loss) for the year		**(4,392,520)**	**(4,760,274)**
Profit (loss) per share attributable to the ordinary equity holders of the Company			
Basic earnings (loss) per share (cents)	7	(1.5)	(2.5)
Diluted earnings (loss) per share (cents)	7	(1.5)	(2.5)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTES	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	21(b)	19,253	50,039
Pledged bank deposits	9	30,000	30,000
Trade and other receivables	10	333,234	190,881
Inventories	11	112,975	288,549
TOTAL CURRENT ASSETS		**495,462**	**559,469**
NON-CURRENT ASSETS			
Property, plant and equipment	13	950,890	1,060,294
Right of use asset	14	579,624	257,305
TOTAL NON-CURRENT ASSETS		**1,530,514**	**1,317,599**
TOTAL ASSETS		**2,025,976**	**1,877,068**
CURRENT LIABILITIES			
Trade and other payables	15	1,156,592	312,149
Borrowings	16	2,551,099	13,586
Provisions	17	57,087	57,049
Building lease liabilities	14	549,583	180,102
TOTAL CURRENT LIABILITIES		**4,314,361**	**562,886**
NON-CURRENT LIABILITIES			
Borrowings	16	42,479	50,157
Building lease liabilities	14	-	93,485
TOTAL NON-CURRENT LIABILITIES		**42,479**	**143,642**
TOTAL LIABILITIES		**4,356,840**	**706,528**
NET ASSETS		**(2,330,864)**	**1,170,540**
EQUITY			
Contributed equity	18	69,688,908	68,538,918
Reserves	20	1,241,761	553,177
Accumulated losses		(73,261,533)	(69,659,044)
TOTAL EQUITY		**(2,330,864)**	**1,170,540**

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Contributed Equity $	Share Based Payment Reserve $	Foreign Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2022	**68,538,918**	**743,266**	**1,547,400**	**(69,659,044)**	**1,170,540**
Loss for the year	-	-	-	(3,724,987)	(3,724,987)
Movement in the foreign translation reserve	-	-	(667,533)	-	(667,533)
Total Comprehensive loss for the year	-	-	**(667,533)**	**(3,724,987)**	**(4,392,520)**
Transactions with owners in their capacity as owners					
Issue of shares	150,000	-	-	-	150,000
Share issue expenses	(10)	-	-	-	(10)
Notes converted	1,000,000	-	-	-	1,000,000
Issue of options	-	122,497	-	-	122,497
Performance Rights expired	-	(381,371)	-	-	(381,371)
Balance at 30 June 2023	**69,688,908**	**484,392**	**1,126,833**	**(73,261,533)**	**(2,330,864)**

	Contributed Equity $	Share Based Payment Reserve $	Foreign Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2021	**65,834,374**	**361,895**	**425,346**	**(63,776,716)**	**2,844,899**
Loss for the year	-	-	-	(5,882,328)	(5,882,328)
Movement in the foreign translation reserve	-	-	1,122,054	-	1,122,054
Total Comprehensive loss for the year	-	-	**1,122,054**	**(5,882,328)**	**(4,760,274)**
Transactions with owners in their capacity as owners					
Issue of shares	2,878,725	-	-	-	2,878,725
Share issue expenses	(174,181)	-	-	-	(174,181)
Performance Rights issued	-	381,371	-	-	381,371
Balance at 30 June 2022	**68,538,918**	**743,266**	**1,547,400**	**(69,659,044)**	**1,170,540**

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 YEAR ENDED 30 JUNE 2023

	NOTES	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,090,576	694,477
Payments to suppliers and employees		(5,461,741)	(5,259,871)
Interest and finance lease charges paid		(18,744)	(11,662)
Government grants received		511,938	286,384
Net cash flows used in operating activities	21(a)	(3,877,971)	(3,350,035)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of property, plant and equipment		132,961	-
Payments for property, plant and equipment		-	(946,358)
Net cash flows used in investing activities		132,961	(946,358)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		3,529,835	63,743
Repayment of borrowings		-	(18,008)
Proceeds from the issue of shares		150,000	2,878,725
Share issue costs		(10)	(174,181)
Net cash flows generated from financing activities		3,679,825	2,750,279
Net increase / (decrease) in cash and cash equivalents held		(65,185)	(2,486,751)
Cash and cash equivalents at the beginning of the financial year		50,039	2,536,790
Foreign exchange translation		34,399	-
Cash and cash equivalents at the end of the financial year	21(b)	19,253	50,039

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1. Corporate information

Sprintex Limited (the "Company") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The consolidated financial statements of the Company as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group"). The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. Significant accounting policies

a. Basis of Preparation

Statement of compliance

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations, and as appropriate for profit oriented entities.

Accounting Standards include Australian Accounting Standards (AASBs). Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the directors on 31 August 2023.

Basis of measurement

The financial report has also been prepared under the historical cost convention.

Functional and presentation currency

The financial report is presented in Australian dollars, which is the Company's functional currency.

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 2023 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 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.

b. Going concern

The Group has net asset deficiency of $2,330,864 (2022: net asset surplus of $1,170,540) and net current assets deficiency of $2,921,327 (2022: $3,417) as at 30 June 2023 and incurred a loss of $3,724,987 (2022: 5,882,328) and net operating cash outflows of $3,877,971 (2022: $4,290,672) for the year ended 30 June 2023.

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

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

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business and economic activities and the realisation of assets and discharge of liabilities in the normal course of business. In arriving at this position, in the opinion of the directors the Company will, based on varying cash flow forecasts, have access to sufficient funds to meet administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

Consequently, the Directors believe that the above factors represents a material uncertainty that casts significant doubt as to whether the Group 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. No adjustments have been made relating to the recoverability an classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

c. Functional and presentation currency

The financial report is presented in Australian dollars, which is the functional currency and the presentation currency of the Company and its Australian subsidiaries.

d. New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

e. Earnings per share

Basic earnings per share

Basic earnings 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.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

f. Revenue recognition

The Group recognises revenue as follows:

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.

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.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

g. Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

h. 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.

i. 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.

j. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 0 to 90 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

k. 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.

l. 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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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.

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 Group 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 marketplace. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

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.

m. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

n. Property, plant and equipment

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.

Depreciation and amortisation

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

- Plant and Equipment: 15%
- Engineering Equipment and Software: 15%-37.5%
- Furniture and Office Equipment: 7.5%-37.5%
- Motor Vehicles: 18.75%
- Leasehold Improvements: 30%

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

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.

Right-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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

o. 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.

p. 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.

q. 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 Group prior to the end of financial year which are unpaid and arise when the Group 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 to 60 days of recognition.

r. 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 Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

s. Provisions

Provisions are recognised when the Group 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 Group 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.

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.

t. Employee leave benefits

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.

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.

Retirement benefit obligations

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

u. Share based payment transactions

The Group provides incentives to the key management personnel (KMP) of the Group 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 using a Black Scholes model to determine 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').

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

- the grant date fair value of the award,
- the extent to which the vesting period has expired, and
- 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.

v. 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.

w. Foreign currency translation

The financial statements are presented in Australian dollars, which is Sprintex Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

3. Significant accounting estimates, assumptions and judgements

(a) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Warranty provision

In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

4. Segment information

(a) Identification of reportable segments

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

The Group 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.

(b) Geographic information and major customers

	2023 **$**	**2022** **$**
United States	583,476	419,571
China	536,247	-
Other countries	113,206	155,283
Total revenue	1,232,929	574,854

The revenue information above is based on the location of the customer.

NOTES TO THE FINANCIAL STATEMENTS
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(c) Location of non-current assets

Non-current assets for this purpose consist of property, plant and equipment. Non-current assets of the Company located in Australia amounted to $430,800 (2022: $65,673). Non-current assets located in the USA amounted to $181,657 (2022: $123,264), Malaysia $16,206 (2022: 48,824) and China $431,631 (2022: $9,203).

5. Revenue and expenses

	2023 $	2022 $
5.1 Other income		-
Government grants	210,199	1,610
Sale of fixed assets	132,961	
Sundry income	75	-
Total other income	343,235	1,610
5.2 Finance costs / (income)		11,662
Interest and finance charges / (gains)	791,626	11,662
Total finance costs / (income)	791,626	-
5.3 Employee payments including benefits expense		
Salaries and wages	611,319	1,218,679
Superannuation expense	15,929	28,640
Other employment expense	-	65,228
Total employee payments including benefits expense	627,248	1,312,547
5.4 Depreciation and amortisation expenses		
Depreciation of property, plant and equipment	175,711	133,029
Total depreciation and amortisation	175,711	133,029
5.5 Research and development expenses		
Research and development staff costs	480,013	436,657
Materials / service costs	550,683	874,036
Total research and development expenses	1,030,696	1,310,693

6. Income tax

(a) Income tax recognised in profit/loss

No income tax is payable by the Group as it recorded a loss for income tax purposes for the period.

(b) Numerical reconciliation between income tax expense and the profit before income tax

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	2023 $	2022 $
Profit (loss) before income tax expense	(3,724,987)	(5,882,328)
Income tax calculated at statutory tax rate of 25% (2022: 25%)	(931,247)	(1,470,582)
Tax losses and temporary differences not recognised	931,247	1,470,582
Aggregate income tax benefit	-	-

The franking account balance at year end was $Nil (2022: $Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(c) Unrecognised temporary differences

At 30 June 2023, there are no unrecognised temporary differences associated with the Company's investments in subsidiaries as the Company has no liability for additional taxation should unremitted earnings be remitted (2022: $Nil).

7. Earnings per share

	2023	2022
Basic and diluted earnings (loss) per share (cents per share)	(1.5)	(2.5)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

Profit (loss) for the year	$(3,724,987)	$(5,882,328)
Weighted average number of shares outstanding during the year used in the calculations of basic earnings per share:	254,310,493	231,611,910

There is no dilution of shares due to options as the potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted earnings per share.

8. Remuneration of auditors

	2023 $	2022 $
Amounts paid to the auditor or related company of the auditor:		
• Audit and review of the financial report – current year	85,261	40,000
Other services		
• Tax compliance	-	-
Total remuneration of auditors	85,261	40,000

9. Pledged bank deposits

	2023 $	2022 $
Deposits at call	30,000	30,000
	30,000	30,000

Pledged bank deposits at 30 June 2023 represents a term deposit of $30,000 supporting credit card facilities.

10. Trade and other receivables

	2023 $	2022 $
Trade receivables	315,717	46,366
Trade deposits (note a)	17,516	36,671
Prepayments	-	107,844
	333,234	190,881

(a) Expected credit losses

Trade receivables are non-interest bearing and, where provided, are generally on 0-90 day terms. Expected credit losses are recognised when there is objective evidence that an individual trade receivable is impaired.

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

Based on past experience, management believes that no expected credit losses are necessary to be provided in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) Fair value and credit risk

Due to the short-term nature of the receivables, their carrying value is assumed to approximate their fair value.

11. Inventories

	2023	2022
	$	$
Finished goods – at cost	1,697,895	3,211,654
Provision for impairment	(1,584,920)	(2,923,105)
Total inventories at lower of cost and net realisable value	112,975	288,549

Inventory in all locations other than China was fully impaired as a result of no sales contracts being in place to support net realisable value.

12. Property, plant & equipment

	Manufact-uring Plant and Equipment	Engineering Equipment and Software	Motor Vehicles	Office Furniture and Equipment	Total
Year ended 30 June 2023					
Opening net book amount	857,858	-	202,436	-	1,060,294
Additions	-	-	-	-	-
Depreciation charge	(88,519)	-	(20,885)	-	(109,404)
Closing net book amount	769,339	-	181,551	-	950,890
At 30 June 2023					
Cost	1,272,531	31,562	511,160	11,994	1,827,247
Accumulated depreciation	(503,192)	(31,562)	(329,609)	(11,994)	(876,357)
Net book amount	769,339	-	181,551	-	950,890

	Manufact-uring Plant and Equipment	Engineering Equipment and Software	Motor Vehicles	Office Furniture and Equipment	Total
Year ended 30 June 2022					
Opening net book amount	74,654	1,183	170,979	149	246,965
Additions	882,615	-	63,743	-	946,358
Depreciation charge	(99,411)	(1,183)	(32,286)	(149)	(133,029)
Closing net book amount	857,858	-	202,436	-	1,060,294
At 30 June 2022					
Cost	1,272,531	31,562	511,160	11,994	1,827,247
Accumulated depreciation	(414,673)	(31,562)	(308,724)	(11,994)	(766,953)
Net book amount	857,858	-	202,436	-	1,060,294

13. Right of use asset and liability

	2023 $	2022 $
Right of use asset	579,624	257,305
Lease liabilities - current	549,583	180,102
Lease Liabilities – non-current	93,485	93,485
	273,587	273,587

The Group has property leases in Malaysia and China.

14. Trade and other payables

	2023 $	2022 $
Trade payables	284,027	284,027
Other payables and accruals	28,122	28,122
	1,156,592	312,149

Trade payables are non-interest bearing and are predominately settled on 30 to 60 day terms.

NOTES TO THE FINANCIAL STATEMENTS
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15. Borrowings

	2023 $	2022 $
Current		
Convertible notes (note a)	2,121,000	-
Finance lease liabilities (note b)	13,586	13,586
Other loans (note c)	416,513	-
	2,551,099	13,586
Non-current		
Finance lease liabilities (note b)	42,479	50,157

(a) The convertible notes have a face value of $3,121,000, bore flat interest of 12% and are convertible into fully paid ordinary shares. On 30 June 2023, $1,000,000 of notes were converted into ordinary shares at 7.5 cents per share. The remaining notes are convertible into shares at a 20% discount to 10 day VWAP. Notes not converted into shares are repayable on 31 July 2024 and 31 December 2024.

(b) The average effective interest rate on finance lease liabilities approximated 7.24% (2022: 7.24%) per annum in the year. The carrying value of leased plant and equipment as at 30 June 2023 was $75,345 (2022: $96,230). Other details of finance lease liabilities are disclosed in note 25.

(c) Includes two loans of RMB1,000,000 each bearing interest of 3.95% with maturities of 22 September 2023 and 2 November 2023.

16. Provisions

	2023 $	2022 $
Provision for warranty (note a)	33,908	33,908
Provision for employee benefits	23,141	23,141
	57,087	57,049

(a) Movements in the provision for warranty for the Company during the financial year are set out below:

	2023 $	2022 $
At 1 July	33,908	33,908
Provision adjustment during the year	-	-
Utilisation of provisions	-	-
At 30 June	33,908	33,908

Warranty provision

Under the terms of the Company's sales arrangements, the Company will rectify any product defects arising within one year of the date of sale. Provision is therefore made for the present value of the management's best estimate of the expected settlement under these agreements in respect of sales made within the year prior to the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

17. Contributed equity

	2023 $	2022 $
Paid up capital – ordinary shares	71,748,476	70,598,473
Capital raising costs capitalised	(2,059,565)	(2,059,555)
	69,688,908	68,538,918

(a) Ordinary shares

	Date	Number of shares	$
30 June 2023 movements in issued capital:			
Balance at 1 July 2022		252,354,329	68,538,918
Placement at $0.075 per share	28/7/2022	2,000,000	150,000
Conversion of notes at $0.075 per share (see Note 15(a))	27/6/2023	13,333,333	1,000,000
Costs relating to issue of shares		-	(10)
Balance at 30 June 2023		267,687,662	69,688,908

	Date	Number of shares	$
30 June 2022 movements in issued capital:			
Balance at 1 July 2021		213,971,334	65,834,374
Placement at $0.075 per share	9/11/2021	20,409,654	1,530,725
Security placement plan at $0.075	13/12/2021	973,335	73,000
Placement at $0.075 per share	9/2/2022	6,666,670	500,000
Placement at $0.075 per share	13/4/2022	5,333,334	400,000
Placement at $0.075 per share	19/5/2022	2,666,667	200,000
Placement at $0.075 per share	23/6/2022	2,333,333	175,000
Costs relating to issue of shares		-	(174,181)
Balance at 30 June 2022		252,354,329	68,538,918

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

Voting at meetings is now conducted via a poll. Every member present at a meeting in person or by proxy shall have one vote.

There is no current on-market share buy-back.

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FOR THE YEAR ENDED 30 JUNE 2023

(b) Share Options

Options issued and exercised:

In 2023, 12,871,111 options were issued to brokers who arrange convertible note funding with $122,497 being recognised as finance costs.

The following is a summary of the movement in options during the 2022 year:

Options	Expiry Date	Exercise Price	Notes	Opening balance	Issued	Converted	Expired	Closing
Unlisted	12/04/2024	$0.086		5,000,000	-	-	-	5,000,000
Unlisted	19/05/2024	$0.086		3,000,000	-	-	-	3,000,000
Unlisted	19/05/2024	$0.150		2,000,000	-		-	2,000,000
Unlisted	8/11/2022	$0.100	(i)	-	10,204,827	-	-	10,204,827
Unlisted	13/12/2022	$0.100	(i)	-	486,670	-	-	486,670
Unlisted	8/02/2023	$0.100	(i)	-	3,333,335	-	-	3,333,335
Unlisted	11/04/2023	$0.100	(i)	-	2,666,668	-	-	2,666,668
Unlisted	18/05/2023	$0.100	(i)	-	1,333,333	-	-	1,333,333
Unlisted	22/06/2023	$0.100	(i)	-	1,166,667	-	-	1,166,667
Total				10,000,000	19,191,498	-	-	29,191,498
Weighted average exercise price				$0.099	$0.100	-	-	$0.100

(i) Options attaching to placements and a security purchase plan on the basis on the basis of 1 option for 2 shares issued.

Valuation of options

Options were valued using a Black Scholes Option Pricing model. The fair value of Options is recognised as an expense at the date of issue using the following assumptions:

Grant Date	Number Issued	Exercise Price	Assumed Stock Price at Grant Date	Interest Rate	Volatility	Value Per Option (cents)
12 Apr 2021	5,000,000	$0.086	$0.086	0.10%	100%	5.28
19 May 2021	3,000,000	$0.086	$0.06	0.11%	100%	3.26
19 May 2021	2,000,000	$0.15	$0.06	0.11%	100%	0
13 Mar 2023	12,871,111	$0.075	$0.039	3.29%	80%	0.95

The amount recognised as a share issue expense for Options issued during the 2023 year was nil (2022: nil).

(c) Performance rights

During 2023, 20,170,000 performance rights were issued. The Performance Rights will vest and be convertible into one (1) Share on the achievement of $20,000,000 of annual revenue by 30 June 2024 (validated by audited/reviewed financial reports).

During 2022, 20,520,000 performance rights were issued:

- 50% of the Performance Rights will vest and be convertible into one (1) Share on the achievement of $10,000,000 of annual revenue by 30 June 2023 (validated by audited/reviewed financial reports); and
- 50% of the Performance Rights will vest and be convertible into one (1) Share on the achievement of Profitability by 30 June 2023 (validated by audited/reviewed financial reports).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Valuation of performance rights

Performance rights were valued using a Black Scholes Option Pricing model. The fair value of performance rights is recognised as an expense at the date of issue using the following assumptions:

Grant Date	Number Issued	Exercise Price	Assumed Stock Price at Grant Date	Interest Rate	Volatility	Value Per Option (cents)
23 Feb 22	20,520,000	$0.000	$0.072	1.020%	100%	7.2

Performance rights vest when the performance hurdle is achieved. The probability of the performance hurdles (noted above) being achieved and the performance rights vesting has been assessed at 100% as at 30 June 2022. The probability of vesting has been assessed on the basis of forecasts and budgets for the coming financial year, as supported by new contracts entered into with customers. As disclosed at Note 3, share-based payment transactions is considered to involve critical accounting judgement, estimation and assumptions. Management reassess the assumptions noted above at each reporting period end date.

The amount recognised as a share-based payments expense relating to performance rights during the 2022 year was $381,371. This amount was reversed during 2023 as the hurdles were not achieved and the performance rights expired.

18. Share-based payments

During 2023, 20,170,000 performance rights were issued. The Performance Rights will vest and be convertible into one (1) Share on the achievement of $20,000,000 of annual revenue by 30 June 2024 (validated by audited/reviewed financial reports).

During 2022, 20,520,000 performance rights were issued:

- 50% of the Performance Rights will vest and be convertible into one (1) Share on the achievement of $10,000,000 of annual revenue by 30 June 2023 (validated by audited/reviewed financial reports); and
- 50% of the Performance Rights will vest and be convertible into one (1) Share on the achievement of Profitability by 30 June 2023 (validated by audited/reviewed financial reports).

The amount recognised as a share-based payments expense relating to performance rights during the 2022 year was $381,371. This amount was reversed during 2023 as the hurdles were not achieved and the performance rights expired.

19. Reserves

(a) Share based payments reserve

Share based payments reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, management and consultants of the Company recognised in accordance with the accounting policy adopted for share-based payments and the amortisation of the value of performance rights at the value of the underlying shares at grant date to the expected date of achievement of the performance hurdle.

(b) Foreign currency reserve

On the translation of the subsidiaries of the Company a foreign exchange loss of $667,533 (2022: $1,122,054), has been recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

20. Statement of cash flows reconciliation

	2023 $	2022 $
(a) Reconciliation of cash flows from operating activities to operating earnings after income tax		
Operating profit (loss) before income tax	(3,724,987)	(5,882,328)
Add non-cash items:		
Depreciation and amortisation	109,404	133,029
Interest and finance charges accrued	-	-
Share based payments	(258,874)	381,371
Impairment	-	1,737,489
Foreign exchange movement	667,533	1,122,054
Changes in assets and liabilities		
Decrease / (increase) in trade and other receivables	(142,353)	201,159
Decrease / (increase) in inventories	175,574	(2,026,038)
Increase / (decrease) in trade and other payables	398,338	67,600
Increase / (decrease) in provisions	38	(25,008)
Net cash flows used in operating activities	(3,877,971)	(4,290,672)

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

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

	2023	2022
Cash at bank and on hand	19,253	50,039

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

21. Parent entity information

(a) Information relating to Sprintex Limited

	2023 $	2022 $
Current assets	92,411	79,985
Total assets	417,557	510,785
Current liabilities	2,532,909	265,630
Total liabilities	2,532,909	265,630
Contributed equity	69,688,908	68,538,918
Share based payment reserve	361,895	743,266
Accumulated losses	(63,203,497)	(61,663,896)
Total shareholders' equity	6,847,307	7,618,288
Income / (loss) for the parent entity	(674,076)	(1,804,147)
Total comprehensive income / (loss) of the parent entity	(674,076)	(1,804,147)

(b) Guarantees

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries.

(c) Commitments

Commitments of the Company as at reporting date are disclosed in note 25 to the financial statements.

(d) Tax consolidation

The Company and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2004. The Company is the head entity of the tax consolidated group. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Incomes Taxes. There is no tax funding agreement in place.

22. Related party disclosures

Key management personnel compensation

The key management personnel compensation is as follows:

	2023 $	2022 $
Short-term employee benefits	460,326	460,326
Post employment benefits	6,033	6,033
Share based payments	269,488	269,488
Total	735,847	735,847

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Subsidiaries

The financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	% equity interest 2023	% equity interest 2022	Investment 2023 $	Investment 2022 $
Sprintex USA, Inc.	United States	100	100	50	50
Sprintex Clean Air (Malaysia) Sdn. Bhd. (formerly Proreka Sprintex Sdn. Bhd.)	Malaysia	100	100	327,311	327,311
Sprintex Energy Technology (Suzhou) Co., Ltd	China	100	100	201,359	201,359
				528,720	528,720

Sprintex USA, Inc. was incorporated on 13 July 2012 to facilitate sales and distribution in the United States.

Sprintex Clean Air (Malaysia) Sdn. Bhd. (formerly Proreka Sprintex Sdn. Bhd.) operates a production facility in Malaysia.

Sprintex Energy Technology (Suzhou) Co., Ltd was established in 2021 to pursue clean energy technology opportunities in China.

The ultimate parent

Sprintex Limited is the ultimate parent, based and listed in Australia.

Transactions with key management personnel

Director advances

During the 2022 and 2023 years the Directors advanced funds to the Company during the year to provide short term liquidity support.

23. Contingent liabilities

There are no contingent assets nor other contingent liabilities as at 30 June 2023 (2022: nil).

24. Commitments

(a) Finance lease and hire purchase commitments

The Company leases certain plant and equipment under finance leases expiring from 1 to 5 years. At the end of the lease terms the Company owns the equipment outright or has the option to purchase the equipment for the residual amount owing. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

	2023 $	2022 $
Within one year	14,117	13,586
After one year but not more than five years	65,880	63,403
Total minimum lease payments	79,997	76,989
Less: amounts representing finance charges	(23,400)	(13,246)
Present value of minimum lease payments	56,597	63,743
Included in the financial statements as:		
Current interest-bearing liabilities (note 16)	14,117	13,586
Non-current interest-bearing liabilities (note 16)	42,479	50,157
	56,597	63,743

(b) Capital commitments

As at 30 June 2023 and 2022, the Company did not have any outstanding capital commitments in respect of acquisition of property plant and equipment contracted for but not provided for in the financial statements.

25. Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. There are no externally imposed capital requirements.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2023 and 2022, no dividends have been paid. The Company does not yet have a dividend policy and payment of future dividends will be dependent upon the future profitability and financial position of the Company.

26. Financial risk management

The Group's financial situation is not complex. Its activities may expose it to a variety of financial risks in the future: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. At that stage the Group's overall risk management program will focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out under an approved framework covering a risk management policy and internal compliance and control by management. The Board identifies, evaluates and approves measures to address financial risks.

The Group holds the following financial instruments:

	2023 $	2022 $
Financial Assets		
Cash and cash equivalents	19,253	50,039
Pledged bank deposits	30,000	30,000
Trade and other receivables	333,234	190,881
	382,487	270,920
Financial Liabilities		
Financial liabilities at amortised cost:		
- Trade and other payables	1,156,592	312,149
- Loans and finance leases	2,593,578	63,743
- Building lease liabilities	549,583	273,587
	4,299,753	649,479

Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework. Risk management policies and systems are reviewed regularly to reflect

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changes in market conditions and the Group's activities. Mitigation strategies for specific risks faced are described below.

Specific financial risk exposures and management

The main risk the Group is exposed to through its financial instruments are interest rate risk, credit risk, liquidity and foreign currency risk.

Interest rate risk

The Group is not exposed to any material interest rate risk.

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of each financial asset in the statement of financial position after deducting any expected credit losses.

Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Trade receivables are due within 0 to 90 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases, committed available credit lines and raising additional capital. The Group manages its liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis and monitoring compliance with lending covenants on an ongoing basis.

The following table details the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

Year ended 30 June 2023	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but Less than 5 years
	$	$	$	$	$
Trade and other payables	1,156,592	1,156,592	1,156,592	-	-
Loans and leases	2,593,578	2,593,578	2,551,099	14,117	28,362
Building lease liabilities	549,583	549,583	549,583	-	-
	4,299,753	4,299,753	4,257,274	14,117	28,362

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FOR THE YEAR ENDED 30 JUNE 2023

Year ended 30 June 2022	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but Less than 5 years
	$	$	$	$	$
Trade and other payables	312,149	312,149	312,149	-	-
Finance lease liabilities	63,743	63,743	13,586	13,586	36,571
Building lease liabilities	273,587	273,587	180,102	93,485	-
	649,479	649,479	505,837	107,071	36,571

Currency risk

The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Euros, United States dollars, and Malaysian Ringgit. Currently, the Group does not have a policy to manage the currency risk arising from sales and purchases.

All the Group's borrowings are denominated in the functional currency of the entity taking out the loan. Given this, management does not expect that there will be any currency risk associated with the Group's borrowings.

The following table details the Group's exposure at the reporting date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	2023 US Dollars	**2022 US Dollars**
Trade and other receivables	18,165	13,773
Cash and cash equivalents	9,065	19,114
Trade and other payables	(9,697)	(15,450)
Overall net exposure	17,437	17,437

	2023 Malaysian Ringit	**2022 Malaysian Ringit**
Trade and other receivables	-	-
Cash and cash equivalents	851,537	58,077
Trade and other payables	(222,563)	(202,791)
Overall net exposure	628,975	(144,714)

	2023 Chinese Yuan	**2022 Chinese Yuan**
Trade and other receivables	3,182,623	497,397
Cash and cash equivalents	77,543	74,810
Trade and other payables	(5,067,074)	(66,093)
Overall net exposure	1,806,908	506,114

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Fair value estimation

All financial instruments are carried at amounts not materially different from their fair values as at 30 June 2023 and 2022.

The carrying value of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The directors consider that the change in interest rates will not cause a significant impact on the fair values of the financial liabilities.

No financial instruments are carried at fair value.