

# Stirling Products Limited

ABN 32 007 105 429

Level 11, 216 St Georges Terrace, Perth WA 6000

GPO Box 2517, Perth WA 6831

P: +61 8 9481 0389 F: +61 8 9463 6103

## ASX Announcement

27 November 2015

### Stirling Products Limited to acquire Mx360 Group Pty Limited

Stirling Products Limited (ACN 077 105 429) (**Stirling**) is pleased to announce it has entered into share sale and purchase agreement (**Agreement**) to acquire 100% of the issued capital of Mx360 Group Pty Limited (ACN 606 793 275) (**Mx360**), which is a start-up technology development company with a specific focus on developing an internet based trading platform for application globally (**Acquisition**).

#### TRANSACTION HIGHLIGHTS

- Stirling will acquire 100% of the shares in the capital of Mx360.
- Shares in Stirling are presently suspended from trading as Stirling does not have a level of operations suitable for a listed company. The path to re-quotations of your Shares requires the acquisition or establishment of business operations acceptable to ASX, receipt of Shareholder approval and the issue of a prospectus to raise capital for Stirling.

#### MX360 BUSINESS

- Mx360 currently operates in Australia as a development company and owns all of the rights, title and interest in the prototype trading platform. It is anticipated that the platform will be an open marketplace that will allow users to search and browse opportunities to exchange services, and goods with others directly and provide a means for users to exchange and trade directly with others on their own terms (**Platform**).
- Unlike traditional e-commerce which is typically based on buying goods or services for cash or credit, the Platform will provide a way to create transactions, swaps and exchanges based upon mutual exchange of value. The Platform will create a digital market-place to allow users to trade directly for things that they want.
- It is anticipated that the Platform will be an open marketplace that will allow users to search and browse opportunities to exchange services, and goods with other users directly and provide a means for users to exchange and trade directly with others on their own terms. For example, a user could propose a mutual beneficial exchange based on the value of their goods or services and requests a suitable exchange with a like minded party for that party's goods or services. Based on the match, the parties could then agree on the requirements, milestones, commitment and the delivery.
- The Platform is a technology based smartphone specific application which will provide users with a central global, yet local platform for the purpose of exchanging goods and services without the need for cash or credit. It is proposed to be a simple to use digital market-place that will allow users to trade and exchange products or services with others

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## TERMS OF AGREEMENT

Stirling has entered into the Agreement pursuant to which Stirling has agreed to acquire all of the shares in Mx360 in consideration for the issue of Stirling shares to the Mx360 vendors, subject to the satisfaction of certain conditions precedent set out below. A summary of the material terms of the Agreement are as follows:

### 1. Condition Precedents

Completion of the Acquisition is subject to a number of conditions, including:

- the Mx360 Shareholders providing written confirmation from any relevant counterparties that none of the material contracts of Mx360's business will be terminated as a result of the Proposed Transaction and procuring the written consents of material contract counterparties or third parties to the Proposed Transaction (if required);
- the completion of the Public Offer;
- the Company entering into employment agreements with each of Wesley Culley and James McCarron;
- Mx360 the release of all encumbrances over Mx360 Shares and the assets and undertaking of Mx360;
- the Company obtaining any regulatory approvals and satisfying all requirements under the Corporations Act and the ASX Listing Rules (including all appropriate or necessary waivers) for the transactions contemplated by:
  - the Acquisition Agreement;
  - the Prospectus;
  - the Public Offer; and
  - this Notice of Meeting.
- STI Shareholders approving all of the Resolutions set out in the Notice of Meeting;
- STI conducting due diligence on Mx360 and satisfying itself as to the assets, liabilities, financial position and prospects of Mx360 and its business;
- the Mx360 Shareholders entering into any restriction agreements required by the ASX or the Company;
- there being no material adverse change in relation to the business of Mx360, or Mx360 in the period up to Completion (in each case, other than the transactions contemplated in the Acquisition Agreement, this Notice of Meeting and the Prospectus);
- all of the warranties given by Mx360 shareholders remain true and correct at all times until completion;
- ASX confirmation that it is satisfied that the Company has re-complied with chapters 1 and 2 of the ASX Listing Rules and that suspension of trading in shares in the Company will cease with effect from or before Completion.

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## 2. Consideration

In consideration for Stirling acquiring Mx360, Stirling has agreed issue to Mx360 shareholders, 80,000,000 Stirling shares at a deemed issue price of \$0.10 per share.

## 3. New board & Management team

Immediately following Completion, the Board of Directors of the Company will comprise the following additional Directors:

### *Grant Davidson – Non-executive Director*

Grant Davidson is the founder and managing director of Davidson, a leading, award winning design and branding company.

Grant Davidson is a graduate from Swinburne International School of Design and was an Art Director at Ogilvy & Mather. Over the past 20 years Grant has built a multi-award winning branding business, attracting some of the best talent from around the country and across the globe with an impressive client list including many market leaders and 20 of the world's top 100 brands. He has attended Harvard Business School on two occasions studying Sustainable Business through its lifecycle. Grant has also lectured at RMIT, Swinburne University, Victoria University and the Australian Federation of Advertising as well as numerous guest speaker engagements.

Grant is the Vice President of the Melbourne Advertising and Design Club in 2003 and Co-Vice President of the Australian Graphic Design Association (Victorian Chapter). In 2006 Grant was awarded an Honorary Life Membership for his industry involvement. In 2009, Grant was invited to join the Advisory Board for the Department of Innovation's, Design Victoria Programme. Grant is also the Chair of the Course Advisory Board for Swinburne International School of Design.

### *James McCarron – Executive Director*

James McCarron graduated from Chiscolm (now known as Monash University) with a degree in marketing. He is a founder and a substantial shareholder of Mx360. He has been involved with digital marketing and strategy for over 2 decades. James has significant in the digital solution space having worked on multiple leading web projects, apps and SAAS platforms. James has a background in strategic marketing and marketing management, he is passionate advocate of new ideas and technology as he is an early adopter.

Recognising that disruption and transformation of the digital space is still in its infancy he has joined leading thought leaders like Peter Diamandis's exclusive A360 community.

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## *Wesley Culley – Executive Director*

Wesley Culley has 20 years' experience in international trade, business development and investment. Wesley has a passion for digital and has been working with a leading software company in delivering SaaS solutions for SME's, Big brands and Government Departments. Wesley has significant international experience in setting up distribution channels and launching products in the United States, Canada and Japan.

Wesley has been instrumental in the reconstruction of a number of small cap ASX listed stocks including Capital Mining Limited and Tempo Australia Limited.

## **4. Change of Name**

Stirling will seek shareholder approval to change its name to OrContra Limited, which the Directors consider a more appropriate name to reflect the change in business.

## **RE-COMPLIANCE WITH ASX LISTING RULES CHAPTERS 1 AND 2**

The Acquisition will result in a significant change to the nature and scale of Stirling's activities. For this reason, the Acquisition will require Stirling shareholders' approval under ASX Listing Rule 11.1.2 and will also require Stirling to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

To enable Stirling to re-comply with the ASX Listing Rules and to support its growth strategy post-completion of the Acquisition, Stirling plans to conduct the Capital Raising under a full form prospectus to raise up to A\$4 million (**Prospectus**) at an issue price of \$0.10 per share.

Stirling intends to appoint one or more brokers or advisers to manage the Capital Raising.

## **SHAREHOLDER APPROVAL**

A notice of meeting seeking shareholder approval for the resolutions required to effect the Acquisition will be sent to Stirling shareholders shortly. It is expected that Stirling will convene a meeting to facilitate shareholder approval on or around 31 December 2015.

Following the meeting, Stirling securities will remain suspended until Stirling has re-complied with the ASX Listing Rules and completed the Acquisition.

## **PRO-FORMA CAPITAL STRUCTURE**

On the basis Stirling completes the Acquisition and associated transactions on the terms set out above, Stirling's capital structure will be as follows (assuming no other shares or options are issued by Stirling)<sup>1,2</sup>:

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Type of STI securityholder	Before Completion		After Completion on \$4m raising		On a fully diluted basis*	
	No. of Shares	% of total no. of Shares	No. of Shares	% of total no. of Shares	No. of Shares	% of total number of Shares
Existing STI Shareholders	17,571,781	70.29%	17,571,781	12.12%	17,571,781	12.10%
STI Placement	7,428,219	29.71%	7,428,219	5.12%	7,428,219	5.12%
Option holders	-	-	-	0.00%	210,488	0.14%
Mx360 Shareholders (or their nominees)	-	-	80,000,000	55.17%	80,000,000	55.09%
Subscribers to Public Offer	-	-	40,000,000	27.59%	40,000,000	27.55%
<b>TOTAL</b>	<b>25,000,000</b>	<b>100%</b>	<b>145,000,000</b>	<b>100%</b>	<b>145,210,488</b>	<b>100.00%</b>

\*If in the unlikely event the options on issue in the Company are exercised on or before 31 December 2015. The company has 210,488 options on issue which are exercisable at \$16.00 and expire on 31 December 2015.

## PRO-FORMA BALANCE SHEET

A pro forma balance sheet of Stirling showing the effect of the Acquisition is annexed to this announcement.

## INDICATIVE TIMETABLE

An indicative timetable for completion of the Acquisition is set out below:

Event	Date
Dispatch of Notice of Meeting	30 November 2015
Lodgement of Prospectus with ASIC	23 December 2015
General Meeting	31 December 2015
Closing date of Prospectus Offer	29 January 2016
Settlement of Mx360 Acquisition – issue of Consideration Shares and Public Offer Shares	1 February 2016
Expected date for re-instatement of the Company's Shares to trading on ASX	15 February 2016
Holding Statements sent out - Capital Raising	15 February 2016

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Please note this timetable is indicative only and the directors of Stirling reserve the right to amend the timetable as required.

A handwritten signature in black ink, appearing to read 'Peter Dykes', with a long horizontal flourish extending to the right.

Peter Dykes  
Director  
Stirling Products Limited

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## Pro forma balance sheet

The unaudited pro-forma balance sheet of the Company, following Completion and assuming that the maximum amount is raised under the Public Offer, is set out below:

	Stirling Products Ltd	Mx360 Group Pty Ltd	Pro-forma Consolidated Balance Sheet Post Transaction
<b>ASSETS</b>			
Current Assets			
Cash On Hand	\$3,655,355.00	\$20,800.00	\$3,676,155.00
Other Receivables	-	\$555,000.00	\$555,000.00
GST Receivable	\$42,455.00	\$2,574.00	\$45,029.00
<b>Total Current Assets</b>	<b>\$3,697,810.00</b>	<b>\$578,374.00</b>	<b>\$4,276,184.00</b>
Fixed Assets			
Intangible Assets	\$0.00	\$3,019.00	\$3,019.00
<b>Total Fixed Assets</b>	<b>\$0.00</b>	<b>\$3,019.00</b>	<b>\$3,019.00</b>
<b>TOTAL ASSETS</b>	<b>\$3,697,810.00</b>	<b>\$581,393.00</b>	<b>\$4,279,203.00</b>
<b>LIABILITIES</b>			
Current Liabilities			
Trade Creditors	\$28,369.00	\$28,319.00	\$56,688.00
<b>Total Current Liabilities</b>	<b>\$28,369.00</b>	<b>\$28,319.00</b>	<b>\$56,688.00</b>
<b>TOTAL LIABILITIES</b>	<b>\$28,369.00</b>	<b>\$28,319.00</b>	<b>\$56,688.00</b>
<b>NET ASSETS</b>	<b>\$3,669,441.00</b>	<b>\$553,074.00</b>	<b>\$4,222,515.00</b>
Equity			
Issued Capital	\$4,000,000.00		\$4,000,000.00
Share Capital	\$39,764,450.00	\$575,800.00	\$40,340,250.00
Retained Earnings	(\$40,095,009.00)	\$0.00	(\$40,095,009.00)
Current Year Earnings	\$0.00	(\$22,726.00)	(\$22,726.00)
<b>TOTAL EQUITY</b>	<b>\$3,669,441.00</b>	<b>\$553,074.00</b>	<b>\$4,222,515.00</b>