



**AND CONTROLLED ENTITIES**

**ANNUAL FINANCIAL REPORT**

**30 JUNE 2013**

**ABN 32 077 105 429**

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## CORPORATE DIRECTORY

|                                          |                                                                                                  |
|------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>HEAD COMPANY</b>                      | Stirling Products Limited                                                                        |
| <b>DIRECTORS</b>                         | Peter Dykes – Director<br>Peter Torney - Director<br>Timothy Shaw - Director                     |
| <b>COMPANY SECRETARY</b>                 | Elizabeth Hunt                                                                                   |
| <b>REGISTERED &amp; PRINCIPAL OFFICE</b> | Level 11, 216 St Georges Terrace<br>Perth WA 6000                                                |
| <b>TELEPHONE</b>                         | +61 8 491 0389                                                                                   |
| <b>FACSIMILE</b>                         | +61 8 463 6103                                                                                   |
| <b>SHARE REGISTER</b>                    | Security Transfer Registrars Pty Ltd<br>770 Canning Highway<br>Applecross WA 6153                |
| <b>AUDITORS</b>                          | K S Black & Co.<br>6/350 Kent Street<br>Sydney NSW 2000                                          |
| <b>SOLICITORS</b>                        | Thomson Geer<br>Level 25, 1 O'Connell Street<br>Sydney NSW 2000                                  |
| <b>STOCK EXCHANGE</b>                    | Australian Securities Exchange Limited<br>Code: STI – Fully ordinary paid shares, STIO - Options |

**DIRECTORS' REPORT**  
(continued)

## DIRECTORS' REPORT

The Directors present their report together with the financial report of Stirling Products Limited and of the Group, consisting of the Company, its Subsidiaries and the Group's interest in associates and jointly controlled entities for the financial year ended 30 June 2013.

### Directors

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

**PETER BOONEN**  
**MANAGING DIRECTOR (CEASED 19 OCTOBER 2015)**

Peter Boonen is a businessman with over 30 years of experience in the business, property, investment banking and equity markets in Australia, USA, Canada, UK and China. During the year, Peter was responsible for the Company's management and ongoing development strategy.

**PETER DYKES**  
**NON-EXECUTIVE DIRECTOR (APPOINTED 17 SEPTEMBER 2015)**

Peter has over 20 years' experience in advising and building ASX-listed companies. He started his career with KPMG in the Taxation Division, later establishing KPMG's Technology Advisory practice in Sydney. There he advised large public and private companies on funding via private equity, government grants and tax incentive programs for research and development. Peter went on to establish a boutique technology advisory practice, advising many of Australia's largest ASX-listed and foreign corporates – including BHP, Telstra, Boral, General Motors Holden and Ford. He progressed to executive and board roles with a number of early-stage ASX-listed technology companies, having principally invested in each of these to develop, commercialise and successfully exit. Peter is also a non-executive director for Exalt Resources Limited (ASX:ERD) and Capital Mining Limited (ASX:CMY). He holds a Bachelor of Business (Accounting) from Victoria University (RMIT) and is a Fellow of the Tax Institute of Australia.

**PETER TORNEY**  
**NON-EXECUTIVE DIRECTOR (APPOINTED 17 SEPTEMBER 2015)**

Mr Torney is a stockbroker with over 10 years experience in the Australian financial services industry during which time he has been involved in a number of successful stockbroking and equity capital markets businesses. Mr Torney has experience in retail and institutional broking, capital raisings, share placements and initial public offerings in Australia and Asia, as well as assisted in dual listings on the OTCQX (USA). Prior to entering the Equity market, Mr Torney has been involved in the advertising, real estate, finance, publishing and beef cattle production industries. Mr Torney has held numerous directorships in both public and private companies. Mr Torney is also a former director of RKS Consolidated Ltd and Dourado Resources Limited.

**TIMOTHY SHAW**  
**NON-EXECUTIVE DIRECTOR (APPOINTED 17 SEPTEMBER 2015)**

Mr. Shaw is a Ph.D. Candidate in the field of ethics at the University of Sydney where he holds a Australian Postgraduate Award scholarship for exceptional research potential. Along with his research interests he is a sophisticated investor with a focus on technical innovation and emerging technologies. Mr. Shaw has experience in optimising company structure and function and holds a Masters degree in Commerce. He is also a member by invitation of the academic honour society Beta Gamma Sigma for his achievements in the field of business development.

### Directors' Shareholdings

The following table sets out each Director's relevant interest in shares and options in shares of the Company as at the date of this report.

| Director       | Interest in Securities at the date of this Report |         |
|----------------|---------------------------------------------------|---------|
|                | Ordinary Shares                                   | Options |
| Peter Boonen * | 23,438                                            | -       |
| Peter Dykes*   | 2,000,000                                         | -       |
| Peter Torney   | 1,200,000                                         | -       |
| Timothy Shaw   | -                                                 | -       |

\* Includes related party

## DIRECTORS' REPORT (continued)

Peter Boonen holds 7,813 ordinary shares personally. Peter Boonen is a Director of P & J Boonen Pty Limited as Trustee for the Boonen Family Superannuation Fund which holds 15,625 ordinary shares.

Peter Dykes is a Director of Poipu Bay Pty Ltd which holds 2,000,000 ordinary shares.

## Company Secretaries

### JOHN DIASINOS (APPOINTED 12 APRIL 2010, RESIGNED 19 OCTOBER 2015)

John Diasinos was appointed to the position of Company Secretary and has previously held Company Secretary roles with other listed and unlisted public companies over the past 20 years. He has experience in Corporate Governance, Compliance and Risk Management. John Diasinos is a Fellow Chartered Institute of Secretaries and a Member of the National Institute of Accountants and holds a Master of Commercial Law.

### ELIZABETH HUNT (APPOINTED 19 OCTOBER 2015)

Elizabeth (BSc, MAcc, GIA(Cert), GAICD) has over fifteen years' corporate and accounting experience including IPO management, governance and risk, company secretarial matters and financial accounting. Elizabeth is also company secretary of a number of ASX listed companies.

## Dividends Paid or Recommended

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2013 (2012: nil).

## Directors' Meetings

The following table sets out the number of meetings of the Company's Directors held during the financial year ended 30 June 2013 and the number of meetings attended by each Director.

| Director            | Directors' Meetings            |                             | Remuneration & Nomination Committee | Corporate Governance Committee |
|---------------------|--------------------------------|-----------------------------|-------------------------------------|--------------------------------|
| Total Meetings Held | -                              |                             | -                                   | -                              |
|                     | Meetings Held Whilst in Office | Number of Meetings Attended | Number of Meetings Attended         | Number of Meetings Attended *  |
| <b>Directors</b>    |                                |                             |                                     |                                |
| Peter Boonen        | -                              | -                           | -                                   | -                              |

## **DIRECTORS' REPORT** *(continued)*

### **Corporate Governance**

A copy of the Company's corporate governance statement is available on the Company's website ([www.stirlingproductsltd.com.au](http://www.stirlingproductsltd.com.au))

### **Principal Activities**

The principal activity of the Group during the financial period was seeking viable business to inject into the company shell and fund the creditors trust.

### **FINANCIAL REVIEW**

The company did not trade in the period and has carried forward gains for the year ended 30 June 2013 amount to \$Nil (2012: \$7,607,624).

All assets and liabilities of the company were transferred to the Creditors Trust upon appointment of the Deed Administrator.

### **Review of Operations**

The Company did not trade during the period under review.

### **Significant Changes in the State of Affairs**

During the year ended 30 June 2012, the company has continued to work with the deed proponent, Montrose Investment Group Pty Ltd, in the relisting and injection of a business into the company shell.

Robert Whitton was appointed Voluntary Administrator of the company on 25 July 2011 and subsequently Deed Administrator on 27 October 2011.

On 6 October 2011 creditors of STI accepted a proposal of the company on the ASX submitted by Virtus Capital Pty Ltd ("Virtus"). Virtus' Business Case presented to the ASX was based on existing assets and continuity of STI business.

### **Post Balance Date Events**

- On 15 January 2014 STI notified shareholders that as a result of negotiations undertaken by the Montrose entered into a binding Letter of Intent with the owners of a new method in virus detection technology known as REVAC (Rapid Enhanced Viral Amplification Culture). Due diligence and documentation of the transaction is currently underway and upon successful completion, the transaction will be subject to shareholders approval at a General Meeting held pursuant to Listing Rule 11.1.3.
- On 17 September 2015, the DOCA was concluded on the establishment of the Creditors' Trust Fund and control of the company returned to the Company's directors and officers. The Company announced the appointment of Peter Dykes, Peter Torney and Timothy Shaw as directors.
- On 27 November 2015, the Company announced it has entered into share sale and purchase agreement (Agreement) to acquire 100% of the issued capital of Mx360 Group Pty Limited which is a start-up technology development company with a specific focus on developing an internet based trading platform for application globally.

### **Contingent liabilities**

The Company is not aware of any contingent liabilities as at the date of this report.

### **Future Developments**

On 27 November 2015, the Company announced it has entered into share sale and purchase agreement (Agreement) to acquire 100% of the issued capital of Mx360 Group Pty Limited (Mx360), which is a start-up technology development company with a specific focus on developing an internet based trading platform for application globally (Acquisition).

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.

**DIRECTORS' REPORT**  
(continued)

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.

The shareholder meeting will be held on 31 December 2015.

### ***Environmental Regulation***

The Company's environmental obligations are regulated under both State and Federal law. The Company's policy is to exceed compliance with its environmental performance obligations. No environmental breaches have been notified by any Government agency to the date of this report.

### ***Options over Ordinary Shares***

#### **UNISSUED SHARES**

As at the date of this report, the unissued ordinary shares of Stirling Products Limited under option are as follows:

| Grant Date   | Expiry Date      | Exercise Price | Number under option |
|--------------|------------------|----------------|---------------------|
| 1 March 2010 | 31 December 2015 | \$16.00        | <u>210,507</u>      |
|              |                  |                | <u>210,507</u>      |

The options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

#### **SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS**

During the financial year options no ordinary shares in the Company were issued on exercise of options.

**DIRECTORS' REPORT**  
*(continued)*

***Indemnification and Insurance of Directors and Officers***

No insurance premiums were paid by Stirling Products Limited to insure Directors and Officers of the Company.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor against a liability incurred as the auditor.

***Non-audit services***

There were no non-audit services provided during the year by the Auditor.

***Auditor's Independence Declaration***

The auditor's independence declaration is included on page 13 of the financial report.



**DIRECTORS' REPORT**  
*(continued)*

## **REMUNERATION REPORT**

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. It also provides the remuneration disclosures required by paragraphs Aus 25.4 to Aus 25.7.2 of AASB 124 *Related Party Disclosures*, which have been transferred to the Remuneration Report in accordance with Corporations Regulation 2M.6.04. For the purposes of this report Key Management Personnel (KMP) of the Group are the directors and the company secretary.

### ***Remuneration Philosophy***

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives
- Link executive rewards to shareholder value
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration

Due to the early stage of development which the Company is in, Shareholder wealth is directly affected by the Company share price, as the Company is not in a position to pay dividends. By remunerating Directors and Executives in part by share based payments, the Company aims to align the interests of Directors and Executives with Shareholder wealth, thus providing individual incentive to perform and thereby improving overall Company performance and associated value. Further due to the early stage of development of the Company, it is not considered appropriate or beneficial for Directors and Executives' remuneration to be linked to specific Company performance targets, and as such there is no link between Company performance and remuneration levels of Directors and Executives.

### ***Remuneration Committee***

The Remuneration and Nomination Committee of Stirling Products Limited is responsible for monitoring, reviewing and recommending to the Board, remuneration arrangements for Board members (Executive and Non-Executive) and senior management, as well as the Group's remuneration and incentive schemes. The remuneration of individual Non-Executive Directors is ultimately determined by the Board and, in aggregate, by the shareholders, in accordance with Company's Constitution.

The Remuneration and Nomination Committee assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring the maximum stakeholder benefit from the retention of a high quality Board and executive team.

### ***Remuneration structure***

In accordance with best practice corporate governance, the structure of non-executive director and senior manager remuneration is separate and distinct.

#### **NON-EXECUTIVE DIRECTOR REMUNERATION**

##### ***Objective***

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors to the highest calibre, whilst incurring a cost which is acceptable to shareholders.

##### ***Structure***

The Constitution and the ASX Listing Rules specify that the aggregate directors' fees payable to non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 29 November 2004 when shareholders approved an aggregate directors' fees payable of \$200,000 per year.

The amount of aggregate directors' fees sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. No additional fees are currently paid for directors sitting on Board committees. However, if a Director performs extra or special services beyond their role as a director, the Board may resolve to provide additional remuneration for such services.

**DIRECTORS' REPORT**  
*(continued)*

The remuneration of non-executive directors for the periods ended 30 June 2013 and 30 June 2012 are detailed in Table 1 and Table 2 respectively on page 11 of this report.

**EXECUTIVE REMUNERATION**

***Objective***

The Company aims to reward executives (both directors and Company executives) with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for Company performance;
- Align the interest of executives with those of shareholders; and
- Ensure total remuneration is competitive by market standards.

***Structure***

Executive remuneration consists of both fixed and variable elements.

*Fixed Remuneration*

***Objective***

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually or upon renewal of fixed term contracts by the Remuneration Committee and the process consists of a review of Company and individual performance, relevant comparative remuneration in the market and internal policies and practices.

***Structure***

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration for executive directors and other specified executives is detailed in Tables 1 and 2 on page 11 of this report.

*Variable Remuneration*

***Objective***

The objective of variable remuneration provided is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

***Structure***

Variable remuneration may be delivered in the form of options or cash bonus.

There were no incentive options issued to directors or executives during the years ended 30 June 2013 or 30 June 2012.

***Employment Contracts***

Peter Boonen the Managing Director is employed under a 2 year contract which was entered into on 9 February 2009. Peter is entitled to an annual remuneration of \$250,000 plus 9% compulsory superannuation. During the period Peter received \$Nil (2012:\$Nil).

***Other Contracts of Service***

John Diasinos is an employee of Zodiac Capital Limited which provides his services to the Group.

John Diasinos is entitled to an annual remuneration of \$150,000 plus 9% compulsory superannuation. During the period John was paid \$Nil (2012: \$Nil).

**DIRECTORS' REPORT**  
(continued)

## Key Management Personnel Remuneration

**TABLE 1: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2013 (CONSOLIDATED)**

| For the year ended<br>30 June 2011 | Short Term                    |              |                |                    | Share Based<br>Payment | Total |
|------------------------------------|-------------------------------|--------------|----------------|--------------------|------------------------|-------|
|                                    | Salary, Fees &<br>Commissions | Non-Monetary | Superannuation | Post<br>Employment | Shares                 |       |
| <i>Executive Directors</i>         | \$                            | \$           | \$             | \$                 | \$                     | \$    |
| Peter Boonen                       | -                             | -            | -              | -                  | -                      | -     |
| <b>Total</b>                       | -                             | -            | -              | -                  | -                      | -     |

**TABLE 2: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2012 (CONSOLIDATED)**

| For the year ended<br>30 June 2011 | Short Term                    |              |                |                    | Share Based<br>Payment | Total |
|------------------------------------|-------------------------------|--------------|----------------|--------------------|------------------------|-------|
|                                    | Salary, Fees &<br>Commissions | Non-Monetary | Superannuation | Post<br>Employment | Shares                 |       |
| <i>Executive Directors</i>         | \$                            | \$           | \$             | \$                 | \$                     | \$    |
| Peter Boonen                       | -                             | -            | -              | -                  | -                      | -     |
| <b>Total</b>                       | -                             | -            | -              | -                  | -                      | -     |

**TABLE 3: COMPENSATION OPTIONS - GRANTED AND VESTED DURING THE YEAR (CONSOLIDATED)**

No compensation options were granted or vested during the year ended 30 June 2013 or 30 June 2012.

### OPTIONS GRANTED AS PART OF REMUNERATION

There were no options granted as part of remuneration and no previously granted options were exercised or lapsed during the current year.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

There were no forfeitures during the period.

The maximum grant, which will be payable assuming that all service criteria are met, is equal to the number of options granted multiplied by the fair value at the grant date. The minimum grant payable assuming that service criteria are not met is zero.

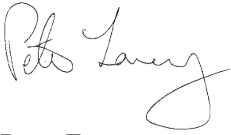
### SHARES ISSUED ON EXERCISE OF COMPENSATION OPTIONS

No compensation options were exercised during the year.

**DIRECTORS' REPORT**  
*(continued)*

This report is made in accordance with a resolution of the directors made pursuant to section 298(2) of the Corporations Act 2001.

For and on behalf of the Directors

A handwritten signature in black ink, appearing to read 'Peter Torney', with a stylized flourish at the end.

**Peter Torney**  
**Director**

Sydney, 28 January 2016

Level 6, 350 Kent Street  
Sydney NSW 2000

87- 89 Lyons Road  
Drummoyn NSW 2047

# KS Black & Co

Chartered Accountants

ABN: 57 446 398 808

20 Grose Street  
North Parramatta NSW 2151

PO Box 2210  
Parramatta NSW 1750

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF STIRLING PRODUCTS LIMITED  
A.B.N. 32 077 105 429  
AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

**K.S. Black & Co  
Chartered Accountants**



**Sam Danieli  
Partner**

**Sydney, 28 January 2016**

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the Year Ended 30 June 2013*

|                                                                                                        | Note | Consolidated<br>2013<br>\$ | 2012<br>\$ |
|--------------------------------------------------------------------------------------------------------|------|----------------------------|------------|
| Revenue                                                                                                |      | -                          | -          |
| Cost of goods sold                                                                                     |      | -                          | -          |
| Gross profit                                                                                           |      | -                          | -          |
| Other Income                                                                                           |      | -                          | -          |
| Research and development expenses                                                                      |      | -                          | -          |
| Commercialisation expenses                                                                             |      | -                          | -          |
| Business development expenses                                                                          |      | -                          | -          |
| Corporate and administrative expenses                                                                  |      | -                          | -          |
| Finance costs                                                                                          |      | -                          | -          |
| Impairment of intangible assets                                                                        |      | -                          | -          |
| <b>Loss before income tax expense</b>                                                                  |      | -                          | -          |
| Income tax expense                                                                                     |      | -                          | -          |
| <b>Loss from continuing operations</b>                                                                 |      | -                          | -          |
| <b>Discontinued operations</b>                                                                         |      |                            |            |
| Profit/(Loss) from discontinued operations                                                             | 4    | -                          | 7,607,624  |
| <b>Profit/(Loss) attributable to owners of Stirling Products Limited</b>                               |      | -                          | 7,607,624  |
| <i>Other comprehensive income</i>                                                                      |      |                            |            |
| Foreign currency translation differences for foreign operations                                        |      | -                          | -          |
| <b>Total comprehensive loss for the period</b>                                                         |      | -                          | -          |
| Loss attributable to non controlling interests                                                         |      | -                          | -          |
| <b>Profit/(Loss) attributable to equity holders of the company</b>                                     |      | -                          | 7,607,624  |
| <b>Loss per share attributable to owners of Stirling Products Limited from continuing operations</b>   |      |                            |            |
| Basic and diluted loss per share (cents per share)                                                     | 10   | (0.00)                     | (0.00)     |
| <b>Loss per share attributable to owners of Stirling Products Limited from discontinued operations</b> |      |                            |            |
| Basic and diluted loss per share (cents per share)                                                     | 10   | 0.00                       | 0.34       |
| <b>Loss per share attributable to owners of Stirling Products Limited</b>                              |      |                            |            |
| Basic and diluted loss per share (cents per share)                                                     | 10   | 0.00                       | 0.34       |

The above Statement should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2013*

|                                                                   | Note | Consolidated<br>2013<br>\$ | 2012<br>\$   |
|-------------------------------------------------------------------|------|----------------------------|--------------|
| <b>TOTAL ASSETS</b>                                               |      | -                          | -            |
| <b>TOTAL LIABILITIES</b>                                          |      | -                          | -            |
| <b>NET ASSETS</b>                                                 |      | -                          | -            |
| <b>Equity</b>                                                     |      |                            |              |
| Issued Capital                                                    | 7    | 42,671,872                 | 42,671,872   |
| Reserves                                                          | 8    | 1,691,813                  | 1,691,813    |
| Accumulated losses                                                | 9    | (44,363,685)               | (44,363,685) |
| <b>Total equity attributable to equity holders of the company</b> |      | -                          | -            |

The above Statement should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the Year Ended 30 June 2013*

|                                                     | Share Capital     | Reserves         | Foreign currency<br>translation<br>reserve | Retained Earnings   | Non controlling<br>interest | Total Equity       |
|-----------------------------------------------------|-------------------|------------------|--------------------------------------------|---------------------|-----------------------------|--------------------|
|                                                     | \$                | \$               | \$                                         | \$                  | \$                          | \$                 |
| <b>Consolidated</b>                                 |                   |                  |                                            |                     |                             |                    |
| <b>Balance at 1 July 2011</b>                       | <b>42,671,872</b> | <b>1,691,813</b> | <b>-</b>                                   | <b>(49,487,576)</b> | <b>(2,483,733)</b>          | <b>(7,607,624)</b> |
| <i>Total comprehensive income for the period</i>    |                   |                  |                                            |                     |                             |                    |
| Profit or (loss) for the year ended 30 June 2012    | -                 | -                | -                                          | 5,123,891           | -                           | 5,123,891          |
| <i>Total other comprehensive income</i>             |                   |                  |                                            |                     |                             |                    |
| Foreign currency translation difference             | -                 | -                | -                                          | -                   | -                           | -                  |
| Non controlling interest in subsidiary              | -                 | -                | -                                          | -                   | 2,483,733                   | 2,483,733          |
| <i>Total comprehensive (loss) for the period</i>    | -                 | -                | -                                          | 5,123,891           | 2,483,733                   | 7,607,624          |
| <b>Transactions with owners, recorded in equity</b> |                   |                  |                                            |                     |                             |                    |
| <i>Contributions by and distributions to owners</i> |                   |                  |                                            |                     |                             |                    |
| Issue of ordinary shares net of costs               | -                 | -                | -                                          | -                   | -                           | -                  |
| Issue of convertible notes net of costs             | -                 | -                | -                                          | -                   | -                           | -                  |
| Share-based payments transactions                   | -                 | -                | -                                          | -                   | -                           | -                  |
| Share options exercised                             | -                 | -                | -                                          | -                   | -                           | -                  |
| Total transactions with owners                      | -                 | -                | -                                          | -                   | -                           | -                  |
| <b>Balance at 30 June 2012</b>                      | <b>42,671,872</b> | <b>1,691,813</b> | <b>-</b>                                   | <b>(44,363,685)</b> | <b>-</b>                    | <b>-</b>           |
| <b>Balance at 1 July 2012</b>                       | <b>42,671,872</b> | <b>1,691,813</b> | <b>-</b>                                   | <b>(44,363,685)</b> | <b>-</b>                    | <b>-</b>           |
| <i>Total comprehensive income for the period</i>    |                   |                  |                                            |                     |                             |                    |
| Profit or (loss) for the year ended 30 June 2013    | -                 | -                | -                                          | -                   | -                           | -                  |
| <i>Total other comprehensive income</i>             |                   |                  |                                            |                     |                             |                    |
| Foreign currency translation difference             | -                 | -                | -                                          | -                   | -                           | -                  |
| Non controlling interest in subsidiary              | -                 | -                | -                                          | -                   | -                           | -                  |
| <i>Total comprehensive (loss) for the period</i>    | -                 | -                | -                                          | -                   | -                           | -                  |
| <b>Transactions with owners, recorded in equity</b> |                   |                  |                                            |                     |                             |                    |
| <i>Contributions by and distributions to owners</i> |                   |                  |                                            |                     |                             |                    |
| Issue of ordinary shares net of costs               | -                 | -                | -                                          | -                   | -                           | -                  |
| Issue of convertible notes net of costs             | -                 | -                | -                                          | -                   | -                           | -                  |
| Share-based payments transactions                   | -                 | -                | -                                          | -                   | -                           | -                  |
| Share options exercised                             | -                 | -                | -                                          | -                   | -                           | -                  |
| Total transactions with owners                      | -                 | -                | -                                          | -                   | -                           | -                  |
| <b>Balance at 30 June 2013</b>                      | <b>42,671,872</b> | <b>1,691,813</b> | <b>-</b>                                   | <b>(44,363,685)</b> | <b>-</b>                    | <b>-</b>           |

The above Statement should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF CASH FLOW

*For the Year Ended 30 June 2013*

|                                                                   |      | Consolidated |            |
|-------------------------------------------------------------------|------|--------------|------------|
|                                                                   | Note | 2013<br>\$   | 2012<br>\$ |
| <b>Cash flows from operating activities</b>                       |      |              |            |
| Receipts from customers                                           |      | -            | -          |
| Payments to suppliers and employees                               |      | -            | (21,800)   |
| Interest received                                                 |      | -            | -          |
| Other – grant received                                            |      | -            | -          |
| <b>Net cash used in operating activities</b>                      | 6(a) | -            | (21,800)   |
| <b>Cash flows from investing activities</b>                       |      |              |            |
| Proceeds from sale of plant and equipment                         |      | -            | -          |
| Purchase of plant and equipment                                   |      | -            | -          |
| Purchase of investments                                           |      | -            | -          |
| Proceeds from disposal of investments                             |      | -            | -          |
| Receipts of deposits                                              |      | -            | -          |
| Purchase of property                                              |      | -            | -          |
| Advances to associated entity                                     |      | -            | -          |
| <b>Net cash used in investing activities</b>                      |      | -            | -          |
| <b>Cash flows from financing activities</b>                       |      |              |            |
| Proceeds from issue of shares                                     |      | -            | -          |
| Proceeds from exercise of options                                 |      | -            | -          |
| Proceeds from issue of convertible notes                          |      | -            | -          |
| Capital raising expenses                                          |      | -            | -          |
| Proceeds from borrowings                                          |      | -            | -          |
| Repayment of borrowings                                           |      | -            | -          |
| <b>Net cash provided by financing activities</b>                  |      | -            | -          |
| Net (decrease) / increase in cash and cash equivalents held       |      | -            | (21,800)   |
| Cash and cash equivalents at the beginning of the financial year  |      | -            | 21,800     |
| Net foreign exchange differences                                  |      | -            | -          |
| <b>Cash and cash equivalents at the end of the financial year</b> |      | -            | -          |

The above Statement should be read in conjunction with the accompanying notes.

## Notes to the Consolidated Financial Statements

### *For the year ended 30 June 2013*

#### 1. CORPORATE INFORMATION

The financial statements were authorised for issue in accordance with a resolution of the directors on 28 January 2016.

Stirling Products Limited (the Company) is a company limited by shares, incorporated in Australia whose shares are publicly traded on the Australia Securities Exchange.

The nature of operations and principal activities are set out in the Directors' Report.

Stirling Products Limited's registered office and principal place of business is:  
Level 11, 216 St Georges Terrace  
Perth, WA 6000

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### ***Basis of preparation***

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 other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars unless otherwise stated.

##### ***Going Concern***

The financial report has been prepared on a going concern basis which contemplates the realisation of assets and settlements of liabilities in the ordinary course of business. For the year ended 30 June 2013 Stirling Products Limited incurred a gain of \$Nil (2012: \$7,607,624) and had net liabilities at 30 June 2013 of \$Nil (2012: \$Nil).

The ability of the company to continue as a going concern is principally dependent upon the ability of the company to secure funds by raising capital from equity markets and managing its cash flow. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the company to continue as a going concern.

The directors consider the going concern basis as appropriate based on the company undertaking and completing the following.

On 23 December 2015, the Company issued a prospectus for the public offer of shares to raise a minimum of \$3 million and up to \$4M (**Prospectus**). On completion of this capital raising, the Company will have sufficient working capital to for its first two years of operating the new OrContra business. The timing of completion of the public offer is contingent on:

- Satisfying the concerns raised by ASIC in the Interim Stop Order issued on 14 February 2016 in relation to the Prospectus dated 23 December 2015. While the Interim Stop Order remains in place, the Company will make no offers, issues, sales or transfers of shares under the Prospectus.
- Completion of the requirements of Chapters 1 & 2 of the ASX Listing Rules.
- Conditional approval from ASX for reinstatement of the Company's shares to ASX quotation.

In the meantime, the Company continues to receive financial support from its directors.

The requirement to raise capital in the future will be dependent on a number of factors, including the outcomes of sales success operational and development activities, regulatory developments and market and general economic conditions.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*(continued)*

**Statement of compliance**

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

**New Accounting Standards and Interpretations**

In the current year, the new and revised Standards and Interpretations have been issued by the Australian Accounting Standards Board (the AASB).  
The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company or the Group.

**Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three 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 flow, cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings on the statement of financial position.

**Earnings per Share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**Employee Benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

**Investments and Other Financial Assets**

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

**Recognition and Derecognition**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*(continued)*

*Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate 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 balance date, which are classified as non-current.

***Financial instruments issued by the Company***

*Debt and equity instruments*

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

*Transaction costs on the issue of equity instruments*

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

***Foreign currency***

*Functional and presentation currency*

Both the functional and presentation currency of Stirling Products Limited and its Australian subsidiaries is Australian dollars (\$). The Canadian subsidiaries' functional currency is Canadian dollars which is translated to the presentation currency (see below).

*Transactions and balances*

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise.

*Translation of Group companies' functional currency to presentation currency*

The results of the Canadian subsidiaries are translated to Australian dollars as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at statement of financial position date.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity. On consolidation, exchange differences arising on translation of the net investment in the Canadian subsidiaries are taken to the foreign currency translation reserve. If a Canadian subsidiary were sold, the proportionate share of exchange differences would be transferred out of equity and recognised in the statement of profit or loss and other comprehensive income.

***Government grants***

Government grants are recognised in the statement of financial position as a liability when the grant is received.

Government grants are assistance by the government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors.

Government grants relating to expense items (research and development grants for operations) are recognised as income over the periods necessary to match them with the related costs on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised as income of the period in which it becomes receivable. When the grant relates to an asset (capital assistance grants) the fair value is recognised as a reduction in the cost of the related asset.

Income tax credits from scientific research and development expenditures are recorded in the period received as other income.

***Impairment of assets***

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

**Income Tax and Other Taxes**

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting or taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiary and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting or taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiary, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the amount of GST incurred on a purchase of goods or services is not recoverable from the Australian Tax Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated inclusive of GST.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*(continued)*

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

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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

***Intangibles***

In this Reporting Period, Management has adopted a policy to write off all Intellectual Property and Patent values that are not directly supporting revenue generation to zero. In forward reporting periods this will be continually re-assessed and adjusted directly in relations to any future revenue as it is respectively generated.

***Research and development costs***

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

***Intangible assets acquired in a business combination***

All potential intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

***Inventory***

Inventories including raw materials, work in progress and finished goods are valued at the lower of cost and 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. The cost of purchase comprises the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from taxation authorities), transport, handling and other costs directly attributable to the acquisition of raw materials. Volume discounts and rebates are included in determining the cost of purchase.

***Finished goods and work in progress*** – cost of direct materials and labour and a proportion of variable and fixed overheads based on normal operating capacity. Costs are assigned on the basis of weighted average costs.

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

***Interest in a Jointly Controlled Entity***

The Group has an interest in a jointly controlled entity, the ZodSti joint venture. The Group's share of losses is recognised as payments made on behalf of the jointly controlled entity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*(continued)*

**Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

*Group as a lessee*

Operating lease payments, where substantially all the risk and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

*Group as a lessor*

Leases in which the Group retains substantially all of the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

**Payables**

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to balance date that 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 usually paid within 30 days of recognition.

**Principles of consolidation**

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Company (the parent entity) and its subsidiaries. A list of subsidiaries appears in Note 24 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Group are eliminated in full.

**Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line or declining balance basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The useful life of plant and equipment ranges from 2 to 5 years.

**Provisions**

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*(continued)*

**Revenue Recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*Sale of goods*

Revenue from the sale of goods is recognised when there is persuasive evidence indicating that there has been a transfer of risks and rewards of ownership to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed.

*Interest revenue*

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

*Rental revenue*

Rental revenue from leased assets is recognised on a straight line basis over the lease term.

**Share-based payments**

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

**Trade and Other Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Collectibility of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable.

**3. SIGNIFICANT 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 and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

**Significant accounting judgements**

*Impairment of intangible assets*

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined.

**Significant accounting estimates and assumptions**

*Share-based payment transactions*

The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined by an external valuer using a Black-Scholes model. 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 expenses and equity.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*(continued)*

**4. DISCONTINUED OPERATIONS**

The directors placed the parent entity Stirling Products Limited into voluntary administration on 25 July 2011. The operations of the entity have been deemed to have discontinued during 2012 financial year. Financial information relating to the discontinued operations is set out below.

The financial performance of the discontinued operations, which is included in the loss from discontinued operations per the statement of profit or loss and other comprehensive income is as follows:

|                                                                                 | <b>Consolidated</b> |                  |
|---------------------------------------------------------------------------------|---------------------|------------------|
|                                                                                 | <b>2013</b>         | <b>2012</b>      |
|                                                                                 | <b>\$</b>           | <b>\$</b>        |
| Revenue - Liabilities to creditors trust                                        | -                   | 14,422,272       |
| Property, Plant & Equipment write-off                                           | -                   | (5,351,050)      |
| Inventories write-off                                                           | -                   | (595,571)        |
| Other receivables write-off                                                     | -                   | (868,027)        |
|                                                                                 | <hr/>               | <hr/>            |
| Profit/(Loss) before income tax                                                 | -                   | 7,607,624        |
| Income tax expense                                                              | -                   | -                |
|                                                                                 | <hr/>               | <hr/>            |
| <b>Total profit/(loss) after tax attributable to the discontinued operation</b> | <b>-</b>            | <b>7,607,624</b> |
|                                                                                 | <hr/>               | <hr/>            |

**5. DISCONTINUED OPERATIONS (continued)**

The net cash flows of the discontinued operations, which have been incorporated into the statement of cash flows, are as follows:

|                                                     | <b>Consolidated</b> |             |
|-----------------------------------------------------|---------------------|-------------|
|                                                     | <b>2013</b>         | <b>2012</b> |
|                                                     | <b>\$</b>           | <b>\$</b>   |
| Net cash (outflow)/inflow from operating activities | -                   | (21,800)    |
| Net cash (outflow)/inflow from investing activities | -                   | 2,655,975   |
| Net cash (outflow)/inflow from financing activities | -                   | -           |
|                                                     | <hr/>               | <hr/>       |
| Net cash outflow from the discontinued operation    | -                   | -           |
|                                                     | <hr/>               | <hr/>       |

**6. CASH AND CASH EQUIVALENTS**

*(a) Reconciliation of loss for the period to net cash flows from operating activities*

|                                                                                                          |       |              |
|----------------------------------------------------------------------------------------------------------|-------|--------------|
| Loss for the period                                                                                      | -     | (7,607,624)  |
| Impairment of receivables due to discontinued operations                                                 | -     | 1,441,798    |
| Impairment of property & equipment due to discontinued operations                                        | -     | 5,351,050    |
| <i>Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses</i> |       |              |
| Decrease / (increase) in receivables                                                                     | -     | -            |
| (Increase) / decrease in other current assets                                                            | -     | -            |
| (Increase) / decrease in inventories                                                                     | -     | -            |
| Increase / (decrease) in payables                                                                        | -     | (14,422,272) |
| Increase / (decrease) in provisions                                                                      | -     | -            |
|                                                                                                          | <hr/> | <hr/>        |
| Net cash used in operating activities                                                                    | -     | (21,800)     |
|                                                                                                          | <hr/> | <hr/>        |

**NOTES TO THE FINANCIAL STATEMENTS**  
*(continued)*

| <b>7. ISSUED CAPITAL</b>                            | <b>2013</b>   | <b>Consolidated</b> |
|-----------------------------------------------------|---------------|---------------------|
|                                                     | <b>\$</b>     | <b>2012</b>         |
|                                                     |               | <b>\$</b>           |
| <i>(a) Ordinary shares</i>                          |               |                     |
| 2,225,108,637 ordinary shares (2012: 2,225,108,637) | 42,671,872    | 42,671,872          |
|                                                     | <b>2013</b>   |                     |
|                                                     | <b>No.</b>    | <b>\$</b>           |
| Ordinary shares                                     |               |                     |
| Balance at the beginning of financial year          | 2,225,108,637 | 42,671,872          |
| Issue of shares pursuant to placement               | -             | -                   |
| Exercise of options                                 | -             | -                   |
| Issue of shares pursuant to services rendered       | -             | -                   |
| Share issue costs                                   | -             | -                   |
| Balance at the end of financial year                | 2,225,108,637 | 42,671,872          |
|                                                     | <b>2012</b>   |                     |
|                                                     | <b>No.</b>    | <b>\$</b>           |
| Ordinary shares                                     |               |                     |
| Balance at the beginning of financial year          | 2,225,108,637 | 42,671,872          |
| Issue of shares pursuant to placement               | -             | -                   |
| Exercise of options                                 | -             | -                   |
| Issue of shares pursuant to services rendered (i)   | -             | -                   |
| Share issue costs                                   | -             | -                   |
| Balance at the end of financial year                | 2,225,108,637 | 42,671,872          |

Ordinary shares carry one vote per share and carry the right to dividends.

*(b) Capital 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.

The Group is not subject to any externally imposed capital requirements.

*(c) Share options*

As at 30 June 2013, there were no listed options over ordinary shares issued. 238,725,000 unlisted options were issued during the 2013 financial year as free attaching options expiring on 31 December 2015, to the subscribers to the Company's share placements.

During the year options were exercised to acquire 3,500,000 ordinary shares.

As at 30 June 2013, the following options were outstanding:

- 35,000,000 unlisted options exercisable at \$0.008 each exercisable by 31 December 2012
- 420,975,042 unlisted options exercisable at \$0.008 each exercisable by 31 December 2015.

**NOTES TO THE FINANCIAL STATEMENTS**  
*(continued)*

| <b>8. RESERVES</b>                              | <b>2013</b>      | <b>Consolidated</b> |
|-------------------------------------------------|------------------|---------------------|
|                                                 | <b>\$</b>        | <b>2012</b>         |
|                                                 |                  | <b>\$</b>           |
| <i>(a) Share based payments reserve</i>         |                  |                     |
| Balance at the beginning of financial year      | 1,581,035        | 1,581,035           |
| Consultant share based payments                 | -                | -                   |
| Balance at the end of financial year            | 1,581,035        | 1,581,035           |
| <i>(b) Option premium reserve</i>               |                  |                     |
| Balance at the beginning of financial year      | 7,500            | 7,500               |
| Issue of options to a private investor          | -                | -                   |
| Balance at the end of financial year            | 7,500            | 7,500               |
| <i>(c) Foreign currency translation reserve</i> |                  |                     |
| Balance at the beginning of financial year      | 103,278          | 103,278             |
| Translation of Canadian subsidiary              | -                | -                   |
| Balance at the end of financial year            | 103,278          | 103,278             |
| <b>Total reserves</b>                           | <b>1,691,813</b> | <b>1,691,813</b>    |

*(d) Nature and purpose of reserves*

**Share based payment reserve**

The share based payments reserve is used to record the value of share based payments provided to employees, including KMP, as part of their remuneration.

**Option premium reserve**

The option premium reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

| <b>9. ACCUMULATED LOSSES</b>               | <b>2013</b>  | <b>Consolidated</b> |
|--------------------------------------------|--------------|---------------------|
|                                            | <b>\$</b>    | <b>2012</b>         |
|                                            |              | <b>\$</b>           |
| Balance at the beginning of financial year | (44,363,685) | (49,487,576)        |
| Gain / (Loss) for the year                 | -            | 5,123,891           |
| Balance at the end of year                 | (44,363,685) | (44,363,685)        |

**10. LOSS PER SHARE**

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

|                                                                                                                |               |               |
|----------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Net loss from continuing operations                                                                            | -             | -             |
| Net profit from discontinued operations                                                                        | -             | 7,607,624     |
| The weighted average number of ordinary shares used in the calculation of basic earnings per share as follows: |               |               |
| Weighted average number of ordinary shares                                                                     | 2,225,108,637 | 2,225,108,637 |

The options on issue are not considered to be dilutive as they would decrease the loss per share and are therefore excluded from the weighted average number of ordinary shares used in the calculation of diluted earnings per share.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*(continued)*

**11. RELATED PARTY DISCLOSURES**

*(a) Controlled entities*

The consolidated financial statements include the financial statements of Stirling Products Limited and the following subsidiaries:

| Name of Entity & Country of Incorporation                      | Country of Incorporation | Book Value of Direct Investment Held |            | Ownership Interest |           |
|----------------------------------------------------------------|--------------------------|--------------------------------------|------------|--------------------|-----------|
|                                                                |                          | 2013<br>\$                           | 2012<br>\$ | 2013<br>%          | 2012<br>% |
| STI Property Pty Ltd (i)                                       | Australia                | -                                    | -          | 100                | 100       |
| Courage Corporation Pty Ltd (i)                                | Australia                | -                                    | -          | 100                | 100       |
| Alteragon Pty Ltd (i)                                          | Australia                | -                                    | -          | 100                | 100       |
| Ralboway Pty Ltd (i)                                           | Australia                | -                                    | -          | 100                | 100       |
| STI Services Pty Ltd (i)                                       |                          |                                      |            |                    |           |
| (formerly West Oil (EP 341) Pty Ltd)                           | Australia                | -                                    | -          | 100                | 100       |
| STI Operations Pty Ltd (i)                                     | Australia                | -                                    | -          | 100                | 100       |
| Salsti (Pty) Ltd                                               | South Africa             | -                                    | -          | 100                | 100       |
| 7165358 Canada Inc                                             | Canada                   | -                                    | -          | 100                | 100       |
| Stirling Animal Health Inc                                     | Canada                   | -                                    | -          | 100                | 100       |
| Stirling North America Inc. (ii)                               |                          |                                      |            |                    |           |
| (formerly Stirling Products North America Holdings)            | Canada                   | -                                    | -          | 100                | 100       |
| Stirling Products North America Holdings Inc                   |                          |                                      |            |                    |           |
| (formerly Stirling Products North America Inc.)                | Canada                   | -                                    | -          | 100                | 100       |
| Stirling Products North America Inc                            |                          |                                      |            |                    |           |
| (formerly Progressive BioActives Inc)                          | Canada                   | -                                    | -          | 100                | 100       |
| Stirling Pharma Inc (iii)                                      | Canada                   | -                                    | -          | 100                | 100       |
| Natures Firewall Inc (iv)                                      | Canada                   | -                                    | -          | 100                | 100       |
| Telemedcare Holdings Pty Ltd                                   | UK                       | -                                    | -          | 61.63              | -         |
| E-Health Services (subsidiary of Telemedcare Holdings Pty Ltd) | Australia                | -                                    | -          | 61.63              | -         |
|                                                                |                          | -                                    | -          |                    |           |

(i) These companies are members of the tax-consolidated group.

(ii) In August 2008, Stirling North America Inc. was incorporated as a wholly-owned subsidiary of Stirling Products Limited.

(iii) Stirling Pharma Inc was incorporated as a wholly owned subsidiary of Stirling Products Limited on 14 December 2009.

(iv) Natures Firewall Inc was incorporated as a wholly owned subsidiary of Stirling Products Limited on 19 February 2010.

*(b) Ultimate parent*

The ultimate parent entity of the Group is Stirling Products Limited.

*(c) Transactions with related parties*

The company has a 50% interest in Stamine Pty Limited, a company incorporated in South Africa. Stamine Pty Limited has not been consolidated as the company has no effective control.

On 20 February 2009 the Company entered into a Support Services agreement with Zodiac Capital Limited expiring on 20 February 2011 for the provision of premises on a fully services basis together with personnel support. Peter Boonen is a Director, and Gulshan Jugroo and Colin Bloomfield are Company Secretaries of Zodiac Capital Limited. Under the agreement Zodiac Capital Limited received a monthly fee of \$12,000 for first 6 months, \$15,000 per month for second 6 months. The monthly fee was subject to review on 9 February 2010. No change was made to the monthly fee of \$15,000. During the period \$162,000 was paid to Zodiac Capital Limited under this agreement. John Diasinos, the Company Secretary, is an employee of Zodiac Capital Limited.

On 10 March 2009 the Company entered into a Joint Venture Deed with Zodiac Capital Limited for the joint commercialisation of their product ranges. Peter Boonen is a Director and Colin Bloomfield and Gulshan Jugroo are Company Secretaries of Zodiac Capital Limited.

**NOTES TO THE FINANCIAL STATEMENTS**  
*(continued)*

**11. RELATED PARTY DISCLOSURES (continued)**

On 18 August 2010, the Group obtained control of Telemedcare Holdings Pty Ltd and its subsidiaries providers of E-Health Services in Australia and the United Kingdom by acquiring 61.63% of the shares and voting interests in the company.

During the period no amounts were paid in joint venture costs (2012: \$Nil).

**12. SEGMENT INFORMATION**

During the financial years 2012 and 2013, the Company did not trade and was predominantly dormant. The Company was placed in voluntary administration on 25 July 2011 and ceased trading. Only limited information is available.

**13. KEY MANAGEMENT PERSONNEL**

*(a) Details of key management personnel*

The key management of Stirling Products Limited during the year was:  
Peter Boonen                      Managing Director / Chairman  
John Diasinos                      Company Secretary

|                                                      | <b>Consolidated</b> |             |
|------------------------------------------------------|---------------------|-------------|
|                                                      | <b>2013</b>         | <b>2012</b> |
|                                                      | <b>\$</b>           | <b>\$</b>   |
| <i>(b) Compensation for Key Management Personnel</i> |                     |             |
| Short term employee benefits                         | -                   | -           |
| Post-employment benefits                             | -                   | -           |
| Share based payments                                 | -                   | -           |
| Total compensation                                   | -                   | -           |

*(c) Loans to Key Management Personnel*

During the 2013 financial year, no funds were loaned to the key management personnel.

*(d) Other transactions with Key Management Personnel and their related parties*

There were no other transactions with key management personnel and their related parties during the financial year.

|                                                                                                      | <b>Consolidated</b> |             |
|------------------------------------------------------------------------------------------------------|---------------------|-------------|
|                                                                                                      | <b>2013</b>         | <b>2012</b> |
|                                                                                                      | <b>\$</b>           | <b>\$</b>   |
| <b>14. REMUNERATION OF AUDITORS</b>                                                                  |                     |             |
| The auditor of Stirling Products Limited is K. S. Black & Co                                         |                     |             |
| K. S. Black & Co                                                                                     |                     |             |
| <i>Amounts received or due and received by K.S. Black &amp; Co for:</i>                              |                     |             |
| Audit or review of the financial report of the entity and any other entity in the consolidated group | -                   | -           |
| <i>Amounts received or due and receivable by Brian Fogerty audit firms for:</i>                      |                     |             |
| Audit or review of the financial report of entities within the consolidated group                    | -                   | -           |
|                                                                                                      | -                   | -           |

**15. CONTINGENT LIABILITIES**

There are no contingent liabilities accounted for as at 30 June 2013 as there has been no change in contingent liabilities since the last annual reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
(continued)

**16. SUBSEQUENT EVENTS**

- On 15 January 2014 STI notified shareholders that as a result of negotiations undertaken by the Montrose entered into a binding Letter of Intent with the owners of a new method in virus detection technology known as REVAC (Rapid Enhanced Viral Amplification Culture). Due diligence and documentation of the transaction is currently underway and upon successful completion, the transaction will be subject to shareholders approval at a General Meeting held pursuant to Listing Rule 11.1.3.
- On 17 September 2015, the DOCA was concluded on the establishment of the Creditors' Trust Fund and control of the company returned to the Company's directors and officers. The Company announced the appointment of Peter Dykes, Peter Torney and Timothy Shaw as directors.
- On 27 November 2015, the Company announced it has entered into share sale and purchase agreement (Agreement) to acquire 100% of the issued capital of Mx360 Group Pty Limited which is a start-up technology development company with a specific focus on developing an internet based trading platform for application globally.

## DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the *Corporations Act 2001* and:
  - a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - b) give a true and fair view of the Company's financial position as at 30 June 2013 and its performance for the period ended on that date; and
  - c) are in accordance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
2. the Chief Executive Officer and Chief Financial Officer have each declared that:
  - a) the financial records of the Consolidated entity for the financial period have been properly maintained in accordance with section 295A of the *Corporations Act 2001*;
  - b) the financial statements and notes for the financial period comply with the Accounting Standards; and
  - c) the financial statements and notes for the financial period give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the Consolidated entity will be able to pay its debts as and when they become due and payable.

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



**Peter Torney**  
**Director**

Sydney, 28 January 2016

**Independent Auditor's Report  
To the Members of  
Stirling Products Limited and Controlled Entities  
A.B.N. 32 077 105 429**

***Report on the Financial Report***

We have audited the accompanying financial report of Stirling Products Limited and controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

***Directors' Responsibility for the Financial Report***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



## ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Stirling Products Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

## ***Basis of Disclaimer of Opinion***

During the conduct of our audit we have been unable to obtain sufficient appropriate audit evidence to support the financial information disclosed the financial report. Therefore, we have been unable to determine that all transactions that occurred during the period have been brought to account within Australian Accounting Standards.

In addition the group entered into voluntary administration on 25 July 2011 and subsequently negotiated and executed a Deed of Company Arrangement ("DOCA") before the company was released back to the director's on 17 September 2015.

## ***Disclaimer of Opinion***

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section above, we do not express an opinion on the financial report.

## ***Report on the Remuneration Report***

We have audited the Remuneration Report included in pages 4 to 7 of the Financial Report for the year ended 30 June 2013. The directors of the group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## ***Disclaimer of Opinion***

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section above, we do not express an opinion on the remuneration report.

## ***Basis of Accounting***

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

**K.S. Black & Co**  
**Chartered Accountants**



**Sam Danieli**  
**Partner**

**Sydney, 28 January 2016**

## ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 22 January 2016.

### 1. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

#### Ordinary Shares

| Name                                                               | No of Ordinary Shares Held | Percentage of Issued Shares |
|--------------------------------------------------------------------|----------------------------|-----------------------------|
| Westglade Pty Ltd                                                  | 2,000,000                  | 8.00                        |
| Poipu Bay Pty Ltd                                                  | 2,000,000                  | 8.00                        |
| Carrara Wealth Group Pty Ltd                                       | 2,000,000                  | 8.00                        |
| Mugdock Investments Pty Ltd <Mugdock Investments Fam A/C>          | 2,000,000                  | 8.00                        |
| Joanne Barrett                                                     | 1,500,000                  | 6.00                        |
| Peter Torney                                                       | 1,200,000                  | 4.80                        |
| Mr Simon William Tritton <Investment A/C>                          | 1,100,000                  | 4.40                        |
| RFD Victoria Pty Ltd                                               | 1,083,442                  | 4.33                        |
| First State Pty Ltd                                                | 1,000,000                  | 4.00                        |
| Greg Woscalski                                                     | 1,000,000                  | 4.00                        |
| BT Portfolios Services Limited <Swag Investments Super Fund A/C>   | 1,000,000                  | 4.00                        |
| Capital Mining Limited                                             | 988,648                    | 3.95                        |
| General Investor Services Pty Ltd <Gid Super Fund A/C>             | 800,000                    | 3.20                        |
| Digital4ge Pty Ltd                                                 | 800,000                    | 3.20                        |
| Fund Contribution Services Pty Ltd <FCS Super Fund A/C>            | 700,000                    | 2.80                        |
| Sacco Developments Australia Pty Ltd <Sacco Family A/C>            | 500,000                    | 2.00                        |
| A & S Custodians Pty Ltd                                           | 500,000                    | 2.00                        |
| Hot Chilli Investments Pty Ltd <Super Fund A/C>                    | 500,000                    | 2.00                        |
| Kings Park Superannuation Fund Pty Ltd <Kings Park Super Fund A/C> | 402,500                    | 1.61                        |
| Kings Park Superannuation Fund Pty Ltd <Kings Park Super Fund A/C> | 402,500                    | 1.61                        |
| Total Top 20                                                       | 21,477,090                 | 85.90                       |
| Others                                                             | 3,523,339                  | 14.10                       |
| Total Ordinary Shares on Issue                                     | 25,000,429                 | 100.00                      |

### 2. DISTRIBUTION OF EQUITY SECURITIES

*Analysis of security by size holding as at 22 January 2016*

|                    | Ordinary Shares            |                           |
|--------------------|----------------------------|---------------------------|
|                    | Number of Security Holders | Number of Securities Held |
| 1 – 1,000          | 1,810                      | 345,929                   |
| 1,001 – 5,000      | 213                        | 446,534                   |
| 5,001 – 10,000     | 23                         | 163,238                   |
| 10,001 – 100,000   | 14                         | 467,638                   |
| 100,001 – and over | 29                         | 23,577,090                |
|                    | <b>2,089</b>               | <b>25,000,429</b>         |

#### *Number of holders of unmarketable parcels – Ordinary shares*

Unmarketable Parcels – 6

### 3. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the Company's register at 22 January 2016 are:

| Name                                                      | No of Shares Held |
|-----------------------------------------------------------|-------------------|
| Westglade Pty Ltd                                         | 2,000,000         |
| Poipu Bay Pty Ltd                                         | 2,000,000         |
| Carrara Wealth Group Pty Ltd                              | 2,000,000         |
| Mugdock Investments Pty Ltd <Mugdock Investments Fam A/C> | 2,000,000         |
| Joanne Barrett                                            | 1,500,000         |

### 4. UNQUOTED SECURITIES

As at 22 January 2016, the following unquoted securities are on issue:

| Unquoted Security | Number on Issue | Number of Holders |
|-------------------|-----------------|-------------------|
| Unlisted Options  | 210,488         | 93                |

The names of shareholders holding more than 20% of each class of unlisted securities are listed below:

|                                                         |        |         |
|---------------------------------------------------------|--------|---------|
| Suburban Holdings Pty Ltd <The Suburban Super Fund A/C> | 25,834 | 12.272% |
| Bluehawk Capital Pty Ltd                                | 25,000 | 11.876% |
| Securities and Investment Group Pty Ltd                 | 11,438 | 5.434%  |

### 5. RESTRICTED SECURITIES

As at 22 January 2016, the Company had no securities that are subject to escrow restrictions.

### 6. VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

### 7. ON-MARKET BUY BACK

There is currently no on-market buy back program for any of Stirling Products Limited's listed securities.