



**STAR COMBO PHARMA LIMITED**

**ACN 615 728 375**

**NOTICE OF EXTRAORDINARY GENERAL MEETING  
TO BE HELD AT 11:00AM (SYDNEY TIME) ON 6 AUGUST 2019 AT  
STAR COMBO CONFERENCE ROOM, 171-177 WOODPARK ROAD  
SMITHFIELD, NSW 2164**

## STAR COMBO PHARMA LIMITED

ACN 615 728 375

### NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting of members of Star Combo Pharma Limited ACN 615 728 375 (**Company** or **Star Combo**) will be held for the purpose of conducting the business of the meeting as itemised in this Notice.

**Venue:** Star Combo Conference Room  
171 – 177 Woodpark Rd, Smithfield, NSW, 2164

**Date:** 6 August 2019

**Time:** 11:00am (Sydney time)

The Explanatory Memorandum provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Memorandum and the Proxy Form accompanying this Notice form part of this Notice.

The Directors have determined in accordance with regulation 7.11.37 of the Corporations Regulations that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 5 August 2019 at 7.00pm (Sydney time).

Capitalised words and phrases contained in this Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the same meaning as set out in the glossary on page 14 of the Explanatory Memorandum.

### BUSINESS OF THE MEETING

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## Resolution 1 - Approval of issue of Share Consideration to Vendors under the Share Sale Agreement

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, subject to Resolution 2 being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 30,000,000 Shares under the Share Sale Agreement (**Share Consideration**) to the Vendors, as set out in the Explanatory Memorandum accompanying this Notice."*

### Voting Exclusion Statement

The Company will disregard any votes on Resolution 1 by a person who is expected to participate in, or obtain a material benefit as a result of, the proposed issue of Shares under the Share Sale Agreement (except a benefit solely by reason of being a holder of ordinary securities in the entity) or their nominees and any associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

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## Resolution 2 – Approval of placement of Shares to sophisticated and professional investors

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, subject to Resolution 1 being passed, for the purposes of ASX Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of up to 90,909,091 Shares at an issue price of \$0.55 per Share under the Placement, as set out in the Explanatory Memorandum accompanying this Notice."*

### **Voting Exclusion Statement**

The Company will disregard any votes on Resolution 2 by a person who is expected to participate in, or obtain a material benefit as a result of, the proposed issue of Shares under the Placement (except a benefit solely by reason of being a holder of ordinary securities in the entity) or their nominees and any associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

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## **Resolution 3 - Approval of issue of Shares to a Director (Mr JinXing (Star) Zhang)**

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 2,727,273 Shares at an issue price of \$0.55 per Share to Mr JinXing (Star) Zhang as set out in the Explanatory Memorandum accompanying this Notice."*

### **Voting Exclusion Statement**

The Company will disregard any votes on Resolution 3 by Mr JinXing (Star) Zhang, who is a Director of the Company or any of his nominees and any associates (which will be taken to include Ms Su Zhang). However, the Company need not disregard a vote if it is cast by Mr JinXing (Star) Zhang as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

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## **Resolution 4 - Approval of issue of Shares to a Director (Ms Su Zhang)**

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 181,818 Shares, at an issue price of \$0.55 to Ms Su Zhang as set out in the Explanatory Memorandum accompanying this Notice."*

### **Voting Exclusion Statement**

The Company will disregard any votes on Resolution 4 by Ms Su Zhang, who is a Director of the Company or any of her nominees and any associates (which will be taken to include Mr JinXing (Star) Zhang). However, the Company need not disregard a vote if it is cast by Ms Su Zhang as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

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## **Resolution 5 - Approval of issue of Shares to a Director (Mr Richard Allely)**

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,818,182 Shares, at an issue price of \$0.55 to Mr Richard Allely, or an entity controlled by Mr Allely, as set out in the Explanatory Memorandum accompanying this Notice."*

### **Voting Exclusion Statement**

The Company will disregard any votes on Resolution 5 by Mr Richard Allely, who is a Director of the Company or any of his nominees and any associates. However, the Company need not disregard a vote if it is cast by Mr Richard Allely as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

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## Resolution 6 - Approval of issue of Shares to a Director (Mr Craig Bottomley)

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 109,091 Shares, at an issue price of \$0.55 per Share to Mr Craig Bottomley or an entity controlled by Mr Bottomley, as set out in the Explanatory Memorandum accompanying this Notice."*

### Voting Exclusion Statement

The Company will disregard any votes on Resolution 6 by Mr Craig Bottomley, who is a Director of the Company or any of his nominees and any associates. However, the Company need not disregard a vote if it is cast by Mr Craig Bottomley as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

### General

To consider any other business as may be lawfully put forward in accordance with the Constitution.

### Other Information

The Explanatory Memorandum accompanies and forms part of this Notice.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

### Voting by Proxy

Any Shareholder of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder.

The proxy does not need to be a Shareholder of the Company. A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes (in which case any fractional votes will be disregarded).

Proxies must be:

- (a) lodged at the Company's share registry, Link Market Services; or
- (b) faxed at the fax number specified below,

not later than 11:00am (Sydney time) on 4 August 2019

#### Link Market Services (hand deliveries)

Link Market Services  
Level 12, 680 George Street  
Sydney, NSW 2000

#### Link Market Services (postal deliveries)

Link Market Services  
Level 12, 680 George Street,  
Sydney, NSW 2000

#### Fax number for lodgement

+61 2 9287 0309

#### Online

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

A form of proxy is provided with this Notice.

Proxies given by corporate Shareholders must be executed in accordance with the Corporations Act and their constitutions, or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on a resolution, the proxy may vote on that item only in accordance with that direction. Any directed proxies which are not voted on a poll will automatically default to the Chair, who must vote the proxies as directed. If a proxy is not directed how to vote on a Resolution, a proxy may vote as they think fit. If a Shareholder appoints the Chair as a Shareholder's proxy and does not specify how the Chair is to vote on one or more Resolutions, the Chair will vote, as proxy for that Shareholder, in favour of each Resolution.

#### **Voting by corporate representatives**

A corporate Shareholder wishing to appoint a person to act as its representative at the Meeting must provide that person with an authority executed in accordance with that company's constitution and the Corporations Act authorising him or her to act as a corporate representative. The authority must be sent to the Company or the Company's share registry, Link Market Services, in advance of the Meeting or be handed in at the Meeting when registering as a corporate representative.

#### **Entitlement to Vote**

The Directors have determined in accordance with regulation 7.11.37 of the Corporations Regulations that all persons registered as Shareholders at 7.00pm (Sydney time) on 5 August 2019 will be eligible to vote and attend the Meeting. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

#### **Shareholder questions and comments**

The Chair will provide Shareholders with an opportunity at the Meeting to ask questions and make comments in relation to the Resolutions.

By Order of the Board

**Star Combo Pharma Limited**

A handwritten signature in black ink, appearing to read 'Patrick Raper', written over a horizontal line.

**Patrick Raper**

Company Secretary

8 July 2019

# STAR COMBO PHARMA LIMITED

ACN 615 728 375

## EXPLANATORY MEMORANDUM

### 1. Introduction

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice for the Extraordinary General Meeting of the Company to be held in the Star Combo Conference Room at 171 – 177 Woodpark Rd, Smithfield, NSW, 2164 on 6 August 2019 at 11:00am (Sydney time) (**Meeting**).

The purpose of this Explanatory Memorandum is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the Resolutions. Among other things, this Explanatory Memorandum provides Shareholders with the information required to be provided to Shareholders by the Corporations Act and Listing Rules.

Capitalised words and phrases contained in this Explanatory Memorandum have the same meaning as set out in the glossary section of this Explanatory Memorandum.

Each of the Resolutions is an ordinary resolution requiring it to be passed by a simple majority of votes cast by Shareholders entitled to vote on the Resolution. Further information regarding each Resolution is set out below.

This Explanatory Memorandum is an important document and should be read in its entirety by all Shareholders.

### 2. Background of the Acquisition and Placement

As announced on ASX on 8 July 2019, the Company has entered into a Share Sale Agreement with the Vendors to acquire 100% of the shares in Bio-E, a fast growing natural health products business catering primarily to the Chinese market (**Acquisition**). The key terms of the Share Sale Agreement are as follows:

- the Company will acquire 100% of the shares in Bio-E from the Vendors for upfront consideration of \$60 million payable at completion of the Share Sale Agreement comprising:
  - \$42 million in cash (**Cash Consideration**); and
  - \$18 million in Shares issued to the Vendors (**Share Consideration**), comprising 30,000,000 Shares with an issue price of \$0.60 per Share;
- the Cash Consideration may be adjusted after completion of the Acquisition based on a working capital and net debt adjustment mechanism in customary form;
- in addition to the Cash Consideration and the Share Consideration, the Share Sale Agreement provides for a potential earn out payable to the Vendors dependent on the future earnings growth of Bio-E;
- the first earn out period will be the financial year ended 30 June 2020 (**FY2020**). If EBITDA of Bio-E in that period exceeds \$15,000,000, the Vendors will be paid an amount equal to 5.5 times the excess. The second earn out period will be the financial year ended 30 June 2021, and if EBITDA of Bio-E in that period exceeds the greater of FY2020 EBITDA and \$15,000,000, the Vendors will be paid an amount equal to 5.5 times the excess;
- key Bio-E management will remain employed with Bio-E for 3 years;
- the Share Consideration issued to the Vendors will be escrowed for a period of 2 years from completion of the Acquisition;
- current Bio-E director Jiaxian (Andy) Tu will join the board of Star Combo;
- the Acquisition is conditional on Shareholder approval of Resolution 1 and Resolution 2 at this Meeting and other customary conditions precedent; and
- the Acquisition is expected to complete on or about 13 August 2019.

On 8 July 2019, the Company announced the Placement which will be made to sophisticated and professional investor clients of Bell Potter Securities Limited and the issue of shares to Directors, Mr JinXing (Star) Zhang, Ms Su Zhang, Mr Richard Allely and Mr Craig Bottomley. The Placement will consist of the issue of up to 90,909,091 Shares to raise a total of \$50,000,000.05 at \$0.55 per Share. Funds raised from the Placement and the issue of Shares to certain Directors will be used to pay the Vendors the Cash Consideration under the Share Sale Agreement. The Company has engaged Bell Potter Securities Limited to act as Lead Manager to the Placement.

## **2.1 Overview of Star Combo**

Star Combo was established in 2004 and is a health and natural beauty product manufacturer and distributor. Its core business comprises the manufacture and distribution of premium health and natural beauty products (including branded vitamins, dietary supplements and skincare/cosmetic products) to Australian and overseas markets.

Star Combo has a particular focus on distribution to Asian markets and, among other things, has identified increasing distribution to the People's Republic of China as an opportunity for growth.

Through a wholly-owned subsidiary Star Combo holds a Therapeutic Goods Administration licence that permits it to manufacture soft and hard capsules, powders and granules and tablets and to provide those facilities to other vitamin companies.

Star Combo owns four brands, each targeted at different markets and consumer groups, being *Costar*, *Amax*, *J&K*, and *Living Healthy*. Star Combo focuses on natural ingredients and developing quality health products from scientific research and development and manufacturing practices.

Star Combo's products are distributed through a variety of channels, including gift shops, duty free stores, supermarkets, pharmacies and online (including the recently acquired "Koala Mall" retail stores in Sydney and the 'Austoyou' China/Australia e-commerce platform which offers over 5,000 high demand product lines directly to consumers in China).

Broadly, Star Combo generates its revenue from the following sources:

- the manufacture and distribution of its own products; and
- the manufacture of therapeutic goods for other pharmaceutical or nutritional brand owners.

Bio-E offers a highly complementary product, skills and distribution platform to Star Combo.

## **2.2 Overview of Bio-E**

Bio-E also operates within the health and natural beauty product sector, manufacturing fermented juice drinks and honey products and cosmetic products for sale to consumers.

Bio-E's core strategic markets are Australia and China. Bio-E has a well-established distribution network and has expertise in distributing natural Australian products to China.

Like Star Combo, Bio-E is an Australian based company with a focus on producing natural products with locally sourced ingredients.

Bio-E is committed to quality, natural products produced through scientific processes for the Australian and Chinese markets.

## **2.3 Further expansion of Star Combo business**

The core business of both Star Combo and Bio-E is the manufacture and distribution of natural health and beauty products. While there may be some change to the product mix and customer base of the enlarged Star Combo group as a result of the Acquisition, the changes represent a logical expansion of Star Combo's business.

The customer bases, products, suppliers, distribution channels, key focuses and expansion plans of Star Combo and Bio-E are complementary.

A key benefit of the Acquisition is the ability for Star Combo to strategically leverage Bio-E's expertise, distribution network and customer base to grow Star Combo's existing business.

Examples of the financial and operational benefits and synergies created by the Acquisition include:

- the sharing of technical, scientific and manufacturing capability and other know-how between Star Combo and Bio-E;
- access to Bio-E's strategic marketing and sales expertise, customer base and distribution network in China;
- the provision of new product lines and revenue streams to Star Combo; and
- the opportunity to expand Bio-E's existing products using Star Combo's broader research and development expertise, manufacturing capabilities (including into capsules and / or tablets) and quality control systems.

## 2.4 Effect of issue of Shares

Under the Share Sale Agreement, and the Placement and issue of Shares to certain Directors, new Shares will be issued to the following parties:

Issue	Shareholder	Issue Price	Shares to be issued
Share Consideration	Vendors	\$0.60	30,000,000
Placement	Sophisticated and professional investor clients of Bell Potter Securities Limited	\$0.55	90,909,091
Director Share issue	Certain Directors and related parties	\$0.55	4,836,364
			<b>125,745,455</b>

At the date of this Notice the number of Shares on issue is 86,536,601. In the 12 months prior to this Notice, the Company issued 6,981,115 Shares as part settlement of the Austoyou and Koala Mall acquisitions and 4,050,171 Shares under an exception in Listing Rule 7.2.

Accordingly, as the number of up to 125,745,455 Shares to be issued is greater than the Company's capacity to issue additional Shares under Listing Rule 7.1, the Company must obtain Shareholder approval.

As stated above, the issue of the Share Consideration to the Vendors represents part of the consideration payable by the Company under the Share Sale Agreement and the proceeds raised from the Placement and issue of Shares to certain Directors will be used to finance the Cash Consideration payable to the Vendors under the Share Sale Agreement.

Prior to the date of the Notice, the highest price of Shares in the Company traded on the ASX in the last 12 months was \$1.03 on 2 August 2018 and the lowest price traded on the ASX during the past 12 months was \$0.50 on 19 December 2018.

### What is the dilutive impact of Shares issued under the Acquisition, Placement and issue of Shares to certain Directors on existing Shareholders?

The Acquisition contemplates the issue of Shares for the acquisition of Bio-E and under the Placement and issue of Shares to certain Directors. As a consequence of the issue of these new Shares, the number of Shares on issue will increase from 86,536,601 to approximately 212,282,056 and, to the extent that existing Shareholders do not participate in the Placement, their proportional ownership of the Company will be reduced quite significantly.

In this regard, if all of the Resolutions in this Notice are approved by Shareholders, immediately following completion of the Acquisition, Placement, and issue of Shares to certain Directors the revised capital structure of the Company will be as follows:

Numbers of Shares at the date of the Meeting	86,536,601 Shares
Shares to be issued under the Acquisition to the Vendors <sup>1</sup>	30,000,000 Shares

<sup>1</sup> Refer to Resolution 1 in the Notice.



Shares to be issued under the Placement <sup>2</sup>	90,909,091 Shares	
Shares to be issued to certain Directors <sup>3</sup>	4,836,364 Shares	
	Mr JinXing (Star) Zhang	2,727,273 Shares
	Ms Su Zhang	181,818 Shares
	Mr Richard Allely	1,818,182 Shares
	Mr Craig Bottomley	109,091 Shares
<b>Shares on issue after the Acquisition and completion of the Placement<sup>4</sup></b>	<b>212,282,056 Shares</b>	

In addition, the Company may need to raise further capital after completion of the Acquisition, Placement and issue of Shares to certain Directors. Any further capital raisings may have a further dilutive effect on the holdings of existing Shareholders.

### **3. Resolution 1 - Issue of Share Consideration to Vendors under the Share Sale Agreement**

#### **3.1 General**

Resolution 1 seeks Shareholder approval in accordance with Listing Rule 7.1 to issue the Share Consideration to the Vendors under the Share Sale Agreement. The Share Consideration comprise part of the consideration payable by the Company to the Vendors under the Share Sale Agreement. The Share Consideration consist of 30,000,000 Shares at an issue price of \$0.60 per Share. The Share Consideration will be escrowed for 2 years from completion of the Acquisition.

Resolution 1 is an ordinary resolution. Resolution 1 is also subject to the approval of Resolution 2. If Shareholders do not approve the issue of the Share Consideration by passing Resolution 1, the Company will not be able to complete the Acquisition.

#### **3.2 Listing Rule 7.1**

Under Listing Rule 7.1 a company must not, without the approval of its shareholders, issue more than 15% of its equity securities in any 12 month period, unless an exception applies.

#### **3.3 Information required by Listing Rule 7.1**

In accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the maximum number of Shares to be issued is 30,000,000;
- (b) the Share Consideration will be issued at completion of the Acquisition but in any event within 3 months after the date of the Meeting;
- (c) the issue price of the Share Consideration is \$0.60 per Share;
- (d) the Share Consideration will be issued to the Vendors as follows:
  - (i) Qian Chen – 1,200,000 Shares;
  - (ii) Liqiong Jin - 13,800,000 Shares;
  - (iii) Yuewei Zhu - 6,900,000 Shares;
  - (iv) Wei Zhu – 6,900,000 Shares;

<sup>2</sup> Refer to Resolution 2 in the Notice.

<sup>3</sup> Refer to Resolutions 3, 4, 5 and 6 in the Notice.

<sup>4</sup> Assuming the maximum number of Shares outlined in the Resolutions are issued and approved.

- (v) JFR Management Pty Ltd – 1,200,000 Shares;
- (e) the Share Consideration issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and will be escrowed for 2 years; and
- (f) the Share Consideration is being issued as part consideration for the Acquisition as described in Section 1 above, and will be issued on completion of the Acquisition.

### **3.4 Voting exclusion statement**

Any votes cast by the Vendors or their nominees and any associates will be disregarded by the Company as they are not entitled to vote on Resolution 1 as they are participating in, or will obtain a material benefit as a result of, the proposed issue of the Share Consideration.

### **3.5 Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 1.

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## **4. Resolution 2 - Placement of shares to sophisticated and professional investors clients of Bell Potter Securities Limited (Placement)**

### **4.1 General**

Under Listing Rule 7.1, a company must not, without the approval of its shareholders, issue more than 15% of its equity securities in any 12 month period, unless an exception applies.

Resolution 2 seeks Shareholder approval to issue up to 90,909,091 Shares at an issue price of \$0.55 per Share to sophisticated and professional investor clients of Bell Potter Securities Limited, who has been engaged by the Company to act as lead manager to the Placement. The Placement will raise approximately \$50,000,000. The proceeds of the Placement will be used by the Company to pay the Cash Consideration to the Vendors under the Share Sale Agreement and to meet the costs of the issue.

Resolution 2 is an ordinary resolution. Resolution 2 is subject to the approval of Resolution 1. If Shareholders do not approve the Placement by passing Resolution 2, the Company will not be able to complete the Acquisition.

### **4.2 Information required by Listing Rule 7.1**

In accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Shares to be issued under the Placement is 90,909,091;
- (b) the Shares will be issued under the Placement no later than 3 months after the date of the Meeting;
- (c) the issue price of the Shares issued under the Placement is \$0.55 per Share;
- (d) the Shares will be issued under the Placement to professional and sophisticated investor clients of the Lead Manager;
- (e) the Shares issued under the Placement will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised from this issue are being used to fund part of the Cash Consideration payable to the Vendors under the Share Sale Agreement and to meet the costs of the issue.

### **4.3 Voting exclusion statement**

The Company will disregard any votes on Resolution 2 by a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed Placement (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote or an associate as a proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form.

#### **4.4 Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 2.

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### **5. Resolutions 3, 4, 5 and 6 - Issue of Shares to certain Directors**

#### **5.1 General**

Resolutions 3, 4, 5 and 6 seek Shareholder approval for the issue of up to 4,836,364 Shares at \$0.55 per Share to certain Directors of the Company or their associates or nominees in accordance with the information below.

Listing Rule 10.11 states that, unless an exception applies, a company must not issue, or agree to issue, equity securities to a related party of the Company without the approval of shareholders under that Listing Rule. If approval is given under Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1. In accordance with Listing Rule 7.2 (exception 14), as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

Resolution 3, 4, 5 and 6 are ordinary resolutions.

#### **5.2 Information required by Listing Rule 10.13**

In accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 3, 4, 5 and 6:

- (a) the related parties proposing to be issued Shares are: Mr JinXing (Star) Zhang, Ms Su Zhang, Mr Richard Allely and Mr Craig Bottomley (or their nominees) who are all Directors;
- (b) the maximum number of Shares to be issued to:
  - (vi) Mr JinXing (Star) Zhang is 2,727,273;
  - (vii) Ms Su Zhang is 181,818;
  - (viii) Mr Richard Allely is 1,818,182; and
  - (ix) Mr Craig Bottomley is 109,091;
- (c) the Shares to be issued to the above parties are intended to be issued at completion of the Acquisition and in any event within 1 month after the date of the Meeting;
- (d) the issue price for the Shares to be issued to the above parties will be \$0.55 per Share and the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (e) the funds raised from the issue of Shares to the above parties will be used to fund the Cash Consideration payable to the Vendors under the Share Sale Agreement.

#### **5.3 Voting exclusion**

The Company will disregard any votes on Resolutions 3, 4, 5 and 6 by the Director who is the subject of that Resolution or any of his or her nominees and any associates. However, the Company need not disregard a vote if it is cast by the relevant Director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

#### **5.4 Directors' Recommendation**

The Directors, other than the Directors the subject of a voting exclusion set out above, recommend that Shareholders vote in favour of Resolutions 3, 4, 5 and 6.

## Glossary

In this Notice and Explanatory Memorandum, unless the context otherwise requires, the singular includes the plural and vice versa, and capitalised terms have the meaning below:

**\$** means Australian Dollars.

**Acquisition** means the proposed acquisition of the 100% of shares in Bio-E in accordance with the Share Sale Agreement.

**ASX** means ASX Limited ACN 008 624 691 and, where the context requires the financial market known as the Australian Securities Exchange operated by the ASX.

**Austoyou** means Austoyou Group Pty Ltd ACN 617 759 985.

**Bio-E** means Bio-E Australia Pty Limited ACN 605 086 039.

**Board** means the board of Directors.

**Cash Consideration** means \$42,000,000 payable to the Vendors under the Share Sale Agreement.

**Chair** means the person appointed to chair the Meeting convened by this Notice.

**Company** or **Star Combo** means Star Combo Pharma Limited ACN 615 728 375.

**Constitution** means the constitution of the Company.

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

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

**Director** means a director of the Company at the date of this Notice.

**EBITDA** means earnings before interest, tax, depreciation and amortisation.

**Explanatory Memorandum** means this explanatory memorandum that accompanies and forms part of this Notice.

**Koala Mall** means Koala Mall Pty Ltd ACN 617 759 341.

**Lead Manager** means Bell Potter Securities Limited.

**Listing Rules** means the official listing rules of ASX.

**Meeting** means the extraordinary general meeting of Shareholders to which this Notice relates.

**Notice** means this notice of extraordinary general meeting of Shareholders.

**Placement** means the placement of up to 90,909,091 Shares at an issue price of \$0.55 per Share to sophisticated and professional investor clients of Bell Potter Securities Limited.

**Proxy Form** means the proxy form attached to or accompanying this Notice.

**Resolution** means each resolution that is set out in this Notice.

**Shareholder** means a registered holder of at least one Share.

**Shares** means fully paid ordinary shares in the Company.

**Share Sale Agreement** means the share sale agreement between the Company, the Vendors and certain guarantors in relation to the acquisition of Bio-E dated on or about 8 July 2019.

**Share Consideration** means 30,000,000 Shares to be issued to the Vendors at an issue price equal to \$0.60 under the Share Sale Agreement.

**Vendor** means each of Qian Chen, Liqiong Jin, Juwei Zhu, Wei Zhu and JFR Management Pty Ltd and **Vendors** means them collectively.

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)


### BY MAIL

Star Combo Pharma Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000



### ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Star Combo Pharma Limited (**Company**) and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



the Chairman of the  
Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting  
as your proxy, please write the name of the person or  
body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **11:00am (Sydney time) on Tuesday, 6 August 2019 at Star Combo Conference Room, 171 – 177 Woodpark Road, Smithfield, NSW 2164 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 5:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 5, even though the Resolution is connected directly or indirectly to the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolutions

- 1 Approval of issue of Share Consideration to Vendors under the Share Sale Agreement
- 2 Approval of placement of Shares to sophisticated and professional investors
- 3 Approval of issue of Shares to a Director (Mr JinXing (Star) Zhang)
- 4 Approval of issue of Shares to a Director (Ms Su Zhang)

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 5 Approval of issue of Shares to a Director (Mr Richard Allely)
- 6 Approval of issue of Shares to a Director (Mr Craig Bottomley)

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where Resolution 5 is connected directly or indirectly to the Chairman.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Sydney time) on Sunday, 4 August 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Star Combo Pharma Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**