

# STAR COMBO PHARMA LIMITED

ACN 615 728 375

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of members of Star Combo Pharma Limited (**Company**) is to be held for the purpose of conducting the business of the meeting as itemised.

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

**Date:** Tuesday 26<sup>th</sup> November 2019      **Time:** 11.00 a.m. (Sydney time)

### BUSINESS OF THE MEETING

#### *Ordinary Business*

#### **Financial Statements and Reports**

To receive and consider the Financial Statements and Reports of the Directors and Auditor for the financial year ended 30 June 2019.

#### **Resolution 1:                      Remuneration Report**

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

*“That for the purpose of section 250R of the Corporations Act and for all other purposes, the Remuneration Report as set out in the Directors’ Report for the year ended 30 June 2019 be adopted.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes on Resolution 1 by or on behalf of a member of the Key Management Personnel of the Company (including Directors) (“**KMP**”) whose details are included in the Remuneration Report, or their closely related parties. However, the Company will not disregard a vote cast on Resolution 1 by a KMP or closely related party of a KMP if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on Resolution 1 as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the KMP.

**Note:** The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

## **Resolution 2: Re-election of Director – Mr Richard Allely**

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

*"That, for the purposes of ASX Listing Rule 14.4 and the Constitution and for all other purposes, Mr Richard Allely, who retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

### **Voting Exclusion Statement**

The Company will disregard any votes on Resolution 2 by Mr Richard Allely and his nominee and any of his associates. However, the Company need not disregard a vote if it is cast:

- (a) by Mr Allely or an associate of Mr Allely as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- (b) by the Chair as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **Resolution 3: Ratification of Issue of Ordinary Shares**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 6,981,115 Shares to the vendors of Austoyou Group Pty Limited and Koala Mall Pty Limited on 18 February 2019 at \$0.51 per Share, as further detailed in the Explanatory Memorandum to this Notice of Meeting, is hereby ratified."*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 3 by the vendors of Austoyou Group Pty Limited and Koala Mall Pty Limited or their nominee and any of their associates, other than votes cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## **Special Business**

### **Resolution 4: Approval of Additional 10% Limit - 2019**

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

*“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period from the date of the Annual General Meeting, at a price no less than that determined pursuant to ASX Listing Rule 7.1A.3 and on the terms and conditions described in the Explanatory Memorandum to this Notice of Meeting.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of Resolution 4 by a person (and any associates of such a person) who may participate in any proposed issue and a person who might obtain a material benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 4 is passed.

However, the Company will not disregard a vote cast on Resolution 4 if:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **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 annual general 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 (by hand) or posted to the Company's share registry, Link Market Services;
- (b) faxed at the fax number specified below; or
- (c) lodged online at the website specified below,

not later than 11.00 a.m. (Sydney time) on Sunday 24 November 2019.

<b>Link Market Services (hand deliveries)</b>	Link Market Services Level 12, 680 George Street, Sydney, NSW 2000
<b>Link Market Services (postal deliveries)</b>	Link Market Services Level 12, 680 George Street, Sydney, NSW 2000
<b>Fax number for lodgment</b>	+61 2 9287 0309
<b>Online</b>	<a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>

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 of the Meeting, 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 of the Meeting as a Shareholder's proxy and does not specify how the Chair is to vote on the resolution, the Chair will vote, as proxy for that Shareholder, in favour of the 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 the 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 its share registry in advance of the Meeting or be handed in at the Meeting when registering as a corporate representative.

## **Entitlement to Vote**

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all shares will be taken to be held by the persons who held them as registered Shareholders at 7.00 p.m. (Sydney time) on Sunday 24 November 2019. 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 of the Meeting will provide Shareholders with an opportunity at the meeting to ask questions and make comments.

By Order of the Board  
**Star Combo Pharma Limited**

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

Patrick Raper  
**25 October 2019**

## STAR COMBO PHARMA LIMITED

ACN 615 728 375

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum relates to the Annual General Meeting of the Company to be held in the Star Combo Conference Room at 171 – 177 Woodpark Rd, Smithfield, NSW, 2164 on Tuesday 26 November 2019 at 11:00 am (Sydney time).

#### Financial Report and Reports of the Directors and Auditor

This item allows Shareholders the opportunity to consider the Financial Report, Directors' Report and Auditor's Report of the Company (together, **Reports**). Under Section 317 of the Corporations Act the Company is required to lay these three reports, together comprising the Company's Annual Report, before its Shareholders at its Annual General Meeting. Shareholders will have a reasonable opportunity at the Annual General Meeting to ask questions about or make comments on the Reports and on the business, operations and management of the Company.

By law, the Auditor of the Company is required to attend the Annual General Meeting. Prior to the Annual General Meeting, Shareholders who are entitled to cast a vote at the Annual General Meeting may forward written questions to the Auditor for response by the Auditor at the Annual General Meeting if such questions are relevant to:

- the content of the Auditor's Report; or
- the conduct of the audit of the Financial Report.

All such written questions for the Auditor must be submitted to the Company by no later than 5:00 p.m. on Tuesday 19 November 2019 (pursuant to section 250PA of the Corporations Act).

At the Annual General Meeting, the Auditor will be available to take Shareholders' questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements (contained in the Financial Report), and the independence of the Auditor in relation to the conduct of the audit.

#### Resolution 1                      Remuneration Report

Resolution 1 provides Shareholders the opportunity to vote on the Company's Remuneration Report. Under Section 250R(2) of the Corporations Act, the Company must put the adoption of its Remuneration Report to a vote at the Annual General Meeting. The Remuneration Report is contained in the Directors' Report (as set out in the Company's Annual Report) and can be downloaded from the Company's website, [www.starcombo.com.au](http://www.starcombo.com.au).

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors or the Company, and a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any arrangements in the Remuneration Report.

However, if at least 25% of the votes cast on this Resolution (in person or by proxy) to approve the Remuneration Report are against adoption of the Remuneration Report at the AGM, then:

- if comments are made on the Remuneration Report at the Annual General Meeting, the Company's Remuneration Report in respect of the financial year ending on 30 June 2020 will be required to include an explanation of the Board's proposed action in response to those comments or, if no action is proposed, the reasons why; and
- if, at the Company's annual general meeting in 2020, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report are against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting (**Spill Meeting**) be held within 90 days to consider the election of Directors of the

Company (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2020 Annual General Meeting. If more than 50% of the votes cast on the Spill Resolution are in favour of the Spill Resolution, the Spill Resolution will be passed and all of the Directors in office at the 2020 Annual General Meeting (other than the managing director) will cease to hold office immediately before the end of the Spill Meeting, unless they are re-elected at the Spill Meeting.

It is noted that at the Company's last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

The Remuneration Report is set out in the Directors' Report in the Company's 2019 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. Each of the Directors recommends the Remuneration Report to Shareholders for adoption.

The Chairman will allow reasonable opportunity for Shareholders to ask about, or make comments on, the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

**Noting that each current executive and non-executive Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, and that each of them (and their closely related parties) would be excluded from voting on Resolution 1, the Board recommends that Shareholders vote in favour of adopting the Remuneration Report.**

## **Resolution 2: Re-election of Mr Richard Allely**

ASX Listing Rule 14.5 and rule 26.6 of the Company's Constitution provide that an election of directors must be held each year at the annual general meeting of the Company. The Board has determined that Mr Richard Allely will retire and, being eligible, offers himself for re-election.

Resolution 2 provides for the re-election of Richard Allely as a non-executive Director of the Company in accordance with Listing Rule 14.4 and rule 26.3 of the Constitution.

Richard was appointed to the Board in 2018 as an independent non-executive Director and Chairman. Richard also currently sits on the board of the Australasian Medical Publishing Co Pty Limited (Chairman). Richard has previously held non-executive roles on the boards of Perisher Blue Pty Ltd, Australian Property Monitors Pty Ltd and Source Financial Inc. (a USA Public Company). He has also been an independent member of Work Cover Authority of NSW and an advisory board member of Renoir Consulting Group.

Richard was the Managing Director and CEO of PMP Limited (**PMP**) until 2012, when he stepped down from the position, after serving just over 10 years with the company (7 years as CFO). PMP is the largest printing and distribution company in Australia and New Zealand with a turnover in excess of \$A1 billion.

Prior to this, Richard held senior executive roles with a number of leading Australian and International companies including Tenix Pty Limited (formerly Transfield Pty Limited), John Fairfax Holdings Limited, Boral Limited, James Hardie Industries Limited and Fanner-PLP Pty

Limited. Richard has significant experience in the manufacturing, building & construction and publication and media sectors within Australia and South East Asia.

Richard holds MBA, DipCM and Accounting and Commerce qualifications.

The Chairman intends to exercise all undirected proxies in favour of Resolution 2. If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 2, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

**The Board, other than Mr Richard Allely, recommends the reappointment of Mr Richard Allely as a non-executive Director.**

### **Resolution 3:            Ratification of Issue of 6,981,115 Ordinary Shares**

Resolution 3 seeks to ratify the issue of 6,981,115 Shares to the vendors of Austoyou Group Pty Limited and Koala Mall Pty Limited on 18 February 2019 at \$0.51 per Share.

#### **Overview**

Star Combo Pharma Limited announced on 19 February 2019 that it had completed the acquisition of the businesses of **Koala Mall Pty Ltd** and **Austoyou Group Pty Ltd** for A\$10 million.

Austoyou is a well-established Australia-China e-commerce platform that offers over 5,000 high-demand product lines directly to Chinese health product consumers. This direct-to-consumer platform provides Star Combo with an opportunity to significantly increase product sales and accelerate its China growth strategy. Importantly, Austoyou has the ability to provide Star Combo with customer demand feedback and will allow the Company to enhance its product lines according to changing customer demand trends. Austoyou gives Star Combo an immediate competitive advantage in the high-demand market for Australian vitamins, skincare and health supplements into the large China consumer market.

The Koala Mall business provides a retail brand and premium shopping experience to showcase the range of Star Combo Pharma vitamins, skincare, milk products and health supplements at a number of highly visible retail stores in Sydney.

The acquired businesses delivered approximately \$17 million in sales in FY18 and have shown growth of more than 20% per annum in the past two years as demand for a broad range of Australian manufactured and quality controlled consumer goods, continues to increase from Chinese consumers.

#### **Acquisition details:**

Austoyou and Koala Mall were acquired via the Share Sale and Purchase Agreement dated 5 February 2019 which sets out a three stage completion process.

Stage 1. Completed on 19 February 2019 consisted of 70% of the Purchase Amount structured as 50% cash payment and 50% in shares issued at \$0.51.

Stage 2. 12 months post settlement, a further 15% of the Purchase Amount. If any shares are to be issued for this payment, they will be issued at a 10% discount from the VWAP in the 10 days prior to payment.



Stage 3. 24 months post settlement, a final 15% of the Purchase Amount. If any shares are to be issued for this payment, they will be issued at a 10% discount from the VWAP in the 10 days prior to payment.

Under Listing Rule 7.1 a company must not issue more than 15% of its equity securities in any 12 month period, without the approval of its ordinary shareholders, unless an exception applies in Listing Rule 7.2.

Listing Rule 7.4 allows a company which makes an issue that complies with Listing Rule 7.1 to obtain subsequent Shareholder approval for the issue and so reinstate the company's ability to issue up to 15% of its capital under Listing Rule 7.1. Resolution 3 complies with Listing Rule 7.4 and, if passed, will reinstate the Company's ability to issue up to 15% of its ordinary shares within a 12 month period. If shareholders ratify the issue of securities at the Annual General Meeting, those securities will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1. If the Company's shareholders ratify the issue of the 6,981,115 Shares that occurred on 19 February 2019, these securities will be deemed to have been issued with Shareholder approval.

### ***Terms of Issue***

The terms of the issue of the shares are as follows:

- (a) The Shares were issued at \$0.51 per Share raising \$3,560,368.
- (b) The Shares have the same rights as all other Shares on issue.
- (c) The funds raised from the issue of the shares were used as part payment for the acquisition of the businesses of Koala Mall Pty Limited and Austoyou Group Pty limited.
- (d) It is not considered from an economic and commercial point of view that there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits forgone by the Company that will result from the issue of the Shares to the Participants pursuant to Resolution 3.

The Chairman intends to exercise all undirected proxies in favour of Resolution 3. If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 3, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

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

**The Board recommends that Shareholders vote in favour of this Resolution.**

### **Resolution 4 Approval of Additional 10% Limit - 2019**

Resolution 4 seeks to approve the issue of new shares to the extent of 10% of the total shares on issue, to give the company the flexibility to pursue and fund its growth strategies.

ASX Listing Rule 7.1A provides that an eligible entity may seek the approval of the holders of its ordinary securities by special resolution passed at an annual general meeting to have the additional capacity to issue equity securities. The Company seeks Shareholder approval to permit the Company to issue an additional 10% of its issued capital over a 12 month period in accordance with ASX Listing Rule 7.1A (**Additional Placement Capacity**).

An approval under Listing Rule 7.1A must be for a period commencing on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (b) The date of the approval by holders of the eligible entity's ordinary securities of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

An eligible entity which has obtained the approval of the holders of its ordinary securities under Listing Rule 7.1A may issue or agree to issue during the period of the approval a number of equity securities equivalent to 10% calculated in accordance with formula set out in the ASX rules.

This 10% capacity, is in addition to the 15% capacity under ASX Listing Rule 7.1.

### **ASX Listing Rule 7.1A**

In 2012, the ASX introduced ASX Listing Rule 7.1A which enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over the 12-month period commencing after the annual general meeting at which the additional approval is obtained (**Additional Placement Capacity**). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the Additional Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an 'eligible entity' for the purpose of ASX Listing Rule 7.1A. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. If the Additional Placement Capacity is not approved, the Directors will still be allowed to issue equity securities of up to 15% of the Company's issued capital pursuant to ASX Listing Rule 7.1.

### **Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

$$\frac{(A \times D) - E}{100}$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- a) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- b) plus the number of partly paid shares that became fully paid in the 12 months;
- c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- d) less the number of fully paid shares cancelled in the 12 months.

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

## ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

Any securities issued under the Additional Placement Capacity will be in the same class as existing quoted securities of the Company. The Company has on issue ordinary fully paid shares (ASX:S66).

The issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 1). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- 1 year following the date of the Annual General Meeting; and
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2 or such longer period if allowed by the ASX.

Any approval of the Additional Placement Capacity at this Annual General Meeting will cease to be valid if and from the date that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new assets or the settlement of obligations (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules); or
- cash consideration: to raise funds for working capital, to fund product research, development and commercialisation programs or for the acquisition of new assets.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue.

The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial position of the Company; and
- advice from the Company's advisors.

The Directors have not decided if they will issue any securities under the Additional Placement Capacity and so allottees under the Additional Placement Capacity have not yet been determined. If Directors decide to issue securities under the Additional Placement Capacity, allottees may include existing shareholders, existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

Assuming Resolution 4 is passed, Table 1 shows the dilution of Shareholders on the basis of the current market price of Shares and the current number of ordinary securities (variable "A") calculated in accordance with the formula in ASX Listing Rule 7.1A.2.

Table 1 also shows:

- I. two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- II. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**Table 1:**

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$ 0.245 50% decrease in Deemed Price	\$0.49 Deemed Price (current price)	\$0.98 100% Increase in Deemed Price
<b>Current Variable A</b> 86,536,601 Shares	<b>10% Voting Dilution</b>	8,653,660 Shares	8,653,660 Shares	8,653,660 Shares
	<b>Funds raised</b>	\$ 2,120,147	\$ 4,240,293	\$ 8,480,587
<b>50% increase in current Variable A</b> 129,804,902 Shares	<b>10% Voting Dilution</b>	12,980,490 Shares	12,980,490 Shares	12,980,490 Shares
	<b>Funds raised</b>	\$ 3,180,220	\$ 6,360,440	\$12,720,880
<b>100% increase in current Variable A</b> 173,073,202 Shares	<b>10% Voting Dilution</b>	17,307,320 Shares	17,307,320 Shares	17,307,320 Shares
	<b>Funds raised</b>	\$ 4,240,293	\$ 8,480,587	\$ 16,961,174

Please note that the balances shown above are true and correct at time of printing.

Table 1 above has been prepared based on the following assumptions:

- Variable A is based on the number of Shares on issue as at 18 October 2019.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.

- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the additional placement capacity includes only shares.
- The issue price of \$0.49 was the closing price of Shares as traded on ASX on 5:00pm (AEDT), 18 October 2019. This price may fluctuate between the time of preparing this Notice and the date of the Meeting.

The Company has never previously obtained approval for the Additional Placement Capacity.

**Voting Exclusion and Restriction Statement:**

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in respect of Resolution 4 by a person who may participate in the 10% placement issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed, and any associates of those persons.

As at the date of this Notice of Meeting the Company has no specific plans to issue equity securities under the 10% placement issue and therefore it is not known who (if any) may participate in a potential (if any) issue of equity securities under the 10% placement issue.

However, the Company need not disregard a vote cast on the resolution 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; or
- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

***Directors' Recommendation***

**The Board recommends that Shareholders vote in favour of this Resolution.**

## Glossary

In this Notice and Explanatory Memorandum:

**\$** means Australian Dollars.

**Annual General Meeting** or **Meeting** means the annual general meeting to which this Notice relates.

**ASX** means ASX Limited ACN 008 624 691, and where the context permits the Australian Securities Exchange operated by ASX.

**Auditor** means BDO East Coast Partnership.

**Auditor's Report** means the auditor's report in the Financial Report.

**Board** means the board of Directors.

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

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

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

**Notice** means this notice of meeting.

**Option** means option to acquire Shares.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** or **Resolutions** means the resolutions set out in this Notice.

**Share** means an ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.



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## 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 Annual General Meeting of the Company to be held at **11:00am (Sydney time) on Tuesday, 26 November 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 1:** 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 1, 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

For Against Abstain\*

1 Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Re-election of Director – Mr Richard Allely

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Ratification of Issue of Ordinary Shares

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Approval of Additional 10% Limit – 2019

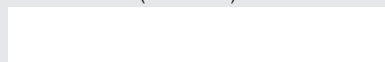
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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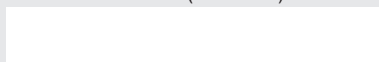
\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## 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).

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## 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:

- (a) 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
- (b) 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, 24 November 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).



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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 ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**