

14 March 2018

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Paragon Care Limited (ASX:PGC) – Amended Appendix 3B

Paragon Care Limited (**Company** or **PGC**) lodged an Appendix 3B on 6 March 2018 advising the allotment of new shares issued pursuant to the Retail Entitlement Offer and requesting ASX listing for the new shares.

In Annexure 1, Part 2, Step 1, the number for “A” (the base figure used to determine the placement capacity) in the original Appendix 3B used the number from earlier lodgments and was incorrect. It should have been 225,775,708, consistent with the “A” in Annexure 1, Part 1, Step 1.

Item 6i of the Amended Appendix 3B, the calculation of remaining issue capacity under rules 7.1 and 7.1A now shows 5,956,110 Shares as the remaining issue capacity under Rule 7.1A. The Rule 7.1 capacity remains unchanged.

Refer to the attached Amended Appendix 3B.

Mr John Osborne
Company Secretary
Paragon Care Limited

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

Revision of Appendix 3B lodged 16 September 2015

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

PARAGON CARE LIMITED

ABN

76 064 551 426

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 34,483,923 under the retail entitlement offer announced on 8 February 2018. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares to rank equally in all respects with existing ordinary shares. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Fully paid ordinary shares ranking equally in all respects with existing ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>\$0.7250 per fully paid ordinary share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Please refer to the ASX announcement on 8 February 2018 for the purpose of the issue.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>22 November 2017</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>29,447,189 Refer Annexure 1 Part 1</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	16,621,461 new Shares pursuant to the Placement Refer Annexure 1 Part 2
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	26,168,501 shares issued under the DRP and the institutional entitlement offer announced on 8 February 2018. Refer Annexure 1 Part 1
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. Refer prior Appendix 3B lodged 19 February 2018.
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	4,419,167 Shares remaining issue capacity under Rule 7.1 after the Placement 5,956,110 Shares remaining issue capacity under Rule 7.1A after the Placement Refer Annexure 1

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

5 March 2018

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
	271,844,358	Fully paid ordinary shares

9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
	N/A	N/A

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

No change to dividend policy.

Part 2 - Pro rata issue

The new shares are not issued pursuant to a Pro Rate Issue and questions 11 to 35 not applicable.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities (tick one)
- (a) +Securities described in Part 1
- (b) All other +securities

+ See chapter 19 for defined terms.

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

The new shares do not form a new class of securities and questions 35 to 37 not applicable

Entities that have ticked box 34(b)

Box 34(b) not ticked and questions 38 to 42 not applicable

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: John Osborne
Company secretary
Date: 14 March 2018

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	164,597,364
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	04-Apr-17 - issue of shares under Dividend Reinvestment Plan (DRP) - 420,645 06-Oct-17 - issue of shares under DRP - 670,677 14-Aug-17 - Part consideration for acquisition of Medtek business and earn out consideration in lieu of cash consideration to vendor of Western Biomedical business - 525,920 Entitlement Offer Shares allotted by 5 March 2018 (ASX waiver of listing rule 7.1) - 59,561,102
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	225,775,708

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	33,866,356
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Anaequip part consideration – 550,898 Surgical Specialties part consideration - 8,823,338 Institutional placement - 20,072,953
“C”	29,447,189
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	33,866,356
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	29,447,189
Total [“A” x 0.15] – “C”	4,419,167 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	225,775,708
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	22,577,571
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	16,621,461 - Institutional Placement
“E”	16,621,461

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	22,577,571
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	16,621,461
Total ["A" x 0.10] – "E"	5,956,110 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.