



ACN 614 508 039

Notice of
Extraordinary General Meeting
10:00am (Sydney time) on 19 January, 2024

Meeting Venue:
Level 36, 1 Macquarie Place
Sydney, NSW Australia

This is an important document. Please read it carefully.

Please speak to your professional advisers if you have any questions about this document or how to vote at the Meeting.



Notice of 2024 Extraordinary General Meeting

Notice is hereby given that the 2024 Extraordinary General Meeting of Epsilon Healthcare Limited (the **Company** or **EPN**) is to be held at 10:00 am (Sydney time) on Friday, 19 January, 2024. Voting on all resolutions will be conducted by poll.

Ordinary Business of the Meeting

Removal of Director

1. Resolution 1: Ordinary Resolution to Remove Alan Beasley as Director

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

"That, pursuant to section 203D(1) of the Corporations Act 2001 (Cth), Mr Alan Beasley be removed as a director of the Company effective immediately on the passing of this resolution."

The majority of the board recommends you vote for this resolution.

Other Business

2. Other Business

To transact any other business which may be legally brought before this Extraordinary General Meeting, in accordance with the Company's Constitution and the *Corporations Act 2001* (Cth).

Josh Cui

Executive Chairman
Epsilon Healthcare Limited
14 December 2023



Explanatory Statement

This Explanatory Statement is intended to provide shareholders of Epsilon Healthcare Limited (EPN or the **Company**) with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Extraordinary General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

If you have any queries regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact Epsilon Healthcare Limited or seek advice from your professional advisors.

Background

On 21 November 2023, the Company received notice under section 203D of the Corporations Act 2001 (Cth) (**Corporations Act**) that Watercrest Asset Management Pty Limited (**Watercrest**) intended to move resolutions for the removal of Alan Beasley at a general meeting of the Company.

On 23 November, the Company received notice under section 249D of the Corporations Act that Watercrest had given notice requesting that the Directors of the Company call and arrange to hold a general meeting of the Company to consider the removal of Alan Beasley at a general meeting of the Company.

The impact of the notices under sections 203D and 249D is that the Company is required to call a meeting to consider resolutions to removal of Alan Beasley at a general meeting of the Company.

Resolution 1: Removal of Alan Beasley as a Director

Summary

Whilst Alan Beasley has proposed the removal of Josh Cui and Stuart Cameron as Directors of EPN, and the proposed election of three new directors, the information provided in Alan Beasley's notice of extraordinary meeting dated 20 November 2023 does not accurately reflect recent events.

Governance; integrity and transparency are important.

The majority of the board, Josh Cui, Stuart Cameron and John Few recommend Shareholders vote to remove Alan Beasley as a director; and vote against the appointment of Peter Giannopoulos, Lou Cattelan and Gary Radcliff as directors.

Mr Beasley's allegations

Mr Beasley made a series of allegations against Mr Cui in the Explanatory Statement dated 20 November 2023. The content of the Statement is largely similar to a letter sent by Mr Beasley to Mr Cui on 10 November 2023, to which Mr Cui responded by email on 16 November 2023.

Mr Beasley's allegations contained in the Explanatory Statement "does not purport to represent the views of the board of EPN, nor of any director of EPN other than Mr Beasley" and he has formed his "concerns" without sufficient evidence.

Although Mr Cui had made detailed responses on 16 November 2023 to each allegation contained in Mr Beasley's letter of 16 November 2023, Mr Beasley still called the 22 December 2023 Extraordinary General Meeting (**Dec 23 EGM**) on the basis Mr Cui's responses did "not satisfy" his "concerns". This is excessive,



unnecessary and a waste of resources, especially when Mr Beasley's concerns can be satisfied by a Director's meeting and obtaining the relevant financial records from the inhouse and company accountants.

This Explanatory Memorandum re-iterates the content of Mr Cui's email in response to Mr Beasley's allegations in the Statement with further comments.

Events

Below is an outline of relevant events to assist Shareholders to have a better understanding of the Explanatory Statement, Explanatory Memorandum and the upcoming Extraordinary General Meeting.

Date	Event
22 September 2022	Mr Beasley appointed as the Deputy Chairman and Non-Executive Director of EPN
27 October 2022	Mr Cameron appointed as Non-Executive Director of EPN
28 October 2022	Mr Cui appointed as Non-Executive Director of EPN
1 November 2022	Mr Cui appointed as Non-Executive Chairman of EPN
23 May 2023	Peter Giannopoulos appointed as CEO of EPN
10 November 2023	Mr Beasley sent Mr Cui a letter raising his concerns regarding Mr Cui's conduct as Chairman of EPN
16 November 2023	Mr Cui responded to Mr Beasley's letter by email
20 November 2023	Mr Beasley issued a Notice of Extraordinary General Meeting and Explanatory Statement to the Shareholders, using his powers under section 249CA of the Corporations Act to call for the Dec 23 EGM.
21 November 2023	Mr Giannopoulos was dismissed as CEO of EPN during his probation period
	EPN received a notice of intention to remove Mr Beasley as a director from its shareholder Watercrest
	EPN received a notice to call a general meeting to remove Mr Beasley as a director from Watercrest under section 249D of the Corporations Act
22 November 2023	EPN announced that Mr Beasley's notice of extraordinary general meeting and explanatory statement for the Dec 23 EGM does not comply with section 203D of the Corporations Act and therefore Mr Cui and Mr Stuart cannot be removed as directors at the Dec 23 EGM.
30 November 2023	Mr Cui appointed as Executive Chairman of EPN Mr John Few appointed as Non-Executive Director of EPN



Responses to Mr Beasley's allegations

Issues	Response
Watercrest, a related party of Mr Cui, entered into a Consultancy Agreement with the Company pursuant to which excessive remuneration is paid to Mr Cui	<ul style="list-style-type: none"> a Director is entitled to remuneration for work performed Mr Beasley agreed with Mr Cui that he is to be remunerated should he make financial and personal investment in EPN at the time when Mr Cui was appointed as Non Executive Director of the company; the Consultancy Agreement was made to remunerate Mr Cui's work for EPN and reviewed by EPN's Solicitor, ; Mr Cui provided consultancy services to EPN through his consultancy company Watercrest; legal advice was sought by EPN and given by the Company's solicitors regarding the arrangement
Mr Beasley alleges Mr Cui submitted invoices of \$28,000.	<ul style="list-style-type: none"> These events never happened; The Company also notes that Mr Giannopoulos, the former EPN CEO, and a person Mr Beasley wishes to appoint to the board at the Dec 23 EGM was paid a salary of \$495,000.00 pa, which is more than Mr Cui's remuneration
\$5,000 per month for office space was paid by Mr Cui to Watercrest to sublease premises occupied by Watercrest	The \$5,000 per month was a reimbursement of rent Mr Cui had paid for Company offices from which to run the business. At the time but for that premises, the Company did not occupy any physical premises. Mr Cui received no direct personal financial benefit. The arrangement was made in the presence of Mr Cui, Mr Beasley, Mr Cameron, at the office of the Company's solicitors.
Information or records regarding payments to Watercrest and Mr Cui were not provided to Mr Beasley upon request	<ul style="list-style-type: none"> all of EPN's expenses are recorded in EPN's financial books and records. They were and are accessible to the Directors from the company's internal finance department and its external accountant KS Black & Co; Directors do not keep EPN's financial books and records. Mr Beasley was invited to contact the company's accountants for any EPN financial information directly and report if he is concerned; all EPN expenses are also disclosed in Financial Reports prepared by KS Black & Co.
There was a lack of due process and board approvals received prior to the Company's entry into a mandate with Winx Capital Pty Ltd (Winx) and copies of the document were not provided upon request	<ul style="list-style-type: none"> Winx agreed to act as EPN's corporate consultant and the parties entered into a mandate on 23 November 2022. Under the mandate Winx has agreed to provide services including sourcing appropriate debt or equity to fund EPN's cash flow and loan obligations; the mandate permits a monthly payment of \$10,000.00 (plus GST) made by EPN to Winx was pursuant to the Agreement. a copy of the mandate and any other company document is always available from the company secretary upon request
Attempts were made to secure a three-year Lease of suite 321, 5 Lime Street, King Street Wharf, Sydney without Mr Beasley's knowledge	<ul style="list-style-type: none"> Mr Cui advised Mr Beasley that no lease had been signed. This is because Mr Cui only signed a heads of agreement which were not binding; Mr Cui proposed to enter into a Lease for suite 321, 5 Lime Street, King Street Wharf, Sydney because the rent was inexpensive compared to similar Sydney CBD offices in the market and because the Company had no formal office space; Ultimately EPN did not enter into any formal lease for that premises or any other premises at Mr Beasley's request not to do so.



Issues	Response
A research report was commissioned from Alpha Securities Pty Ltd without Mr Beasley's prior approval	<ul style="list-style-type: none"> the paid research report was to provide valuable information to the Company about potential investors, who might take up convertible notes or debt funding with EPN in the context of EPN's liquidity and financial situation at the end June 2023, particularly with the difficulty in re-financing the Mitchell Asset Management loan (i.e. its prior lender and prior loan); the report was commissioned by the Board (Mr Cu's and Mr Cameron's approval) at a time when Mr Beasley was not involved in the day to day operations and showed disinterest in the daily management of EPN; the Company paid a one off \$4,000 fee for the research report
There are no bank signatories other than Mr Cui and Mr Cameron	This is incorrect. All Directors, including Mr Beasley, are signatories to the EPN bank accounts.
The CEO should be a bank signatory;	<p>it is unclear why making the CEO a bank signatory will provide financial transparency;</p> <ul style="list-style-type: none">
Board of Directors and CEO should receive monthly management accounts;	<ul style="list-style-type: none"> EPN financial information and accounts were shared amongst the Directors and the former CEO, Mr Giannopoulos (before his dismissal), during weekly reports from the Company's internal finance department; all EPN's financial books and records were and are accessible to the Directors at any time, from the company's finance department and its external accountant KS Black & Co;
The latest Appendix 4C did not contain sufficient disclosure.	<ul style="list-style-type: none"> EPN is required to lodge an Appendix 4C with ASX at relevant intervals and the Appendix 4C was prepared by KS Black & Co; Mr Beasley does not provide information about the "insufficient disclosure and potentially misleading information provided" in Appendix 4C and therefore the majority of the Board is not provided with the opportunity to respond fully to this allegation; ASX's questioned "inconsistencies between the company's half yearly accountants and quarterly cash flows (Appendix 4C) – these questions were addressed and disclosed to the market on 22 November 2023;

Proposed appointment of new Directors

Regarding the appointment of the new Directors:

- (a) Lou Cattelan and Gary Radcliff were all former EPN Directors, but Mr Beasley failed to disclose:
- (i) their duties as former Directors;
 - (ii) the financial circumstances of EPN when they were Directors;
 - (iii) the reasons for their resignation in the notice of meeting and Explanatory Statement;
 - (iv) the destruction in the value of shareholders' shares during their term as Directors;



(b) below is the relevant information of Mr Cattelan and Mr Radcliff as former EPN Directors:

Mr Cattelan

Appointment date	15 March 2018
Cease date	29 July 2021
EPN Share price as at appointment date	\$0.60
Share price as at cease date	\$0.153
Share price reduction during the term of directorship	-74.50%

Mr Radcliff

Appointment date	15 March 2018
Cease date	5 March 2021
EPN Share price as at appointment date	\$0.60
Share price as at cease date	\$0.243
Share price reduction during the term of directorship	-59.50%

- (c) Mr Giannopoulos was formerly a CEO of EPN, but was dismissed during his probation period;
- (d) despite Mr Giannopoulos' wealth of experience and his ability to undertake capital raising, he did not raise any capital for EPN when he was a CEO of the company;
- (e) Mr Radcliff is an experienced Barrister and has an established legal practice in Queensland. He was also the President of the Queensland Bar Association. However, the majority of the board wishes to express concern his busy legal practice will limit the time he can dedicate to with his duties as a Director of EPN.

Mr Cui's and Mr Cameron's position

In the absence of specified Board guidelines and delegations, Directors have ostensible authority to act. EPN does not have these guidelines and delegations, and while this is a governance oversight, the directors are not acting outside the law.

Alan Beasley's assertions are surprising in two respects. First, as an investment banker and CEO of many years' experiences, the agreement with Winx and the need for research reports is natural to business to seek investors and raise funds. Secondly, in his time as a Board member, he was acutely aware of the liquidity needs of EPN. Yet he has not raised any equity or debt funding.

When Josh Cui stepped in as Chairman, EPN had no CEO, no CFO, significant unpaid (and subsequently discovered undisclosed) creditors, significant unpaid debtors, limited liquidity, and company officers entertaining takeover bids for EPN. Josh Cui had to work full-time to meet these challenges on behalf of shareholders, while Alan Beasley was inactive and a non-participant. Notwithstanding all reporting requirements have been met, on time. In the context of the above, Josh Cui's remuneration of \$20,000 per month is below the normal rate for an active CEO, and given what Josh Cui had to do to rescue the value of the Company for the shareholders. It is 60% below what Peter Giannopoulos was paid.

Since the appointment of Mr Cui and Mr Stuart as Directors at the end of October 2022, they have worked tirelessly in all aspects of the company business, especially with bringing EPN out of financial turmoil when Mitchell Asset Management attempted to wind up the company due to default of a loan.



EPN has become financially stable and experienced financial growth in the first quarter of 2023 as indicated in the company financial books and records. Both Mr Cui and Mr Cameron expect the company to have increased revenue and profits in the near future.

It is both illogical and disruptive to EPN business to change the majority of Directors at this stage, especially when Mr Beasley failed to explain how his proposed resolutions will financially benefit EPN in the future.

Further, given the recent events and the hostile relationship between the parties, it is no longer possible for the Board to function properly and manage EPN's day to day business. Executive Chairman Josh Cui, Mr Few and Stuart Cameron recommend the Shareholders to vote in favour of the Resolution 1 to remove Alan Beasley as the Director of EPN.

Directors Recommendation

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 1.



Further Information

For further information, please contact the Company at corporate@epsilonhealthcare.com.au

Voting Information Pursuant to Regulation 7.11.37 of the Corporations Regulation 2001 (Cth) the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00 pm (Sydney time) on 17 January 2024.

Voting in person: To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy: To vote by proxy, please complete and sign the enclosed Proxy Form and return it in accordance with the instructions set out in the Voting form so it is received no later than 10:00 am (Sydney time) on 17 January 2024.

Pursuant to section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- 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 the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in pursuant to section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

If a Proxy Form is signed by an attorney, the original or a certified copy of the power of attorney or other authority under which the Proxy Form is signed must be provided to the Company's share registry in the manner specified in the Proxy Form by no later than 10:00 am (Sydney time) on 17 January 2024.

Voting by corporate representative: A Shareholder or proxy which is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative to vote at the Meeting. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment and lodge it with the registration desk unless it has been previously provided to the Company's share registry by the time and in the manner specified in the Proxy Form.

Voting by attorney: Pursuant to Clause 54.1 of the Company's Constitution a Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf. An attorney does not need to be a Shareholder. The power of attorney appointing the attorney must be signed and specify the name of each of the Shareholder, the Company and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one. To be effective, the power of attorney (or certified copy) must also be returned in the same manner and time as specified for Proxy Form or otherwise lodged at the registration desk on the day of the Meeting.

Key Management Personnel: the Chair of the meeting may vote an undirected proxy (ie. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given informed consent, in the form of an express voting direction to the chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel (**Informed Consent**).

The Company recommends that shareholders consider the following options to ensure the validity of their votes:

- that shareholders direct proxies on a remuneration related resolution instead of leaving them undirected; or
- that shareholders nominate a proxy who is not a member of Key Management Personnel or any of their Closely Related Parties to vote on a remuneration related resolution; or
- that shareholders who wish to vest their undirected proxies in the chair on a remuneration related resolution ensure that they follow instructions provided on the proxy form in order to provide Informed Consent.

Need assistance?**Phone:**

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

**Online:**

www.investorcentre.com/contact

EPN
SAMPLE ESTATE
FLAT 13
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Epsilon Healthcare Limited Extraordinary General Meeting

The Epsilon Healthcare Limited Annual General Meeting will be held on Friday, 19 January 2024 at 10:00am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 10:00am (AEDT) Wednesday, 17 January 2024..



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Level 36, 1 Macquarie Place, Sydney, NSW Australia.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

EPN

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?**Phone:**

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

**Online:**

www.investorcentre.com/contact

**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received **10:00am (AEDT) on Wednesday, 17 January 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 999999****SRN/HIN: I9999999999****PIN: 99999**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Samples/000001/000002/i12

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left.
Securityholders sponsored by a broker (reference number



commences with 'X') should advise your broker of any changes.

I 9999999999 I ND

■ Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Epsilon Healthcare Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Epsilon Healthcare Limited to be held at Level 36, 1 Macquarie Place, Sydney, NSW 2000 on Friday, 19 January 2024 at 10:00am (AEDT) and at any adjournment or postponement of that meeting

Step 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Removal of Alan Beasley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Date
/ /

Update your communication details (Optional)
Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communication electronically

■ E P N

2 9 8 9 6 9 A



Computershare

