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#### Directors

Anthony Ho – Chairman  
Patrick Ford – Non-executive  
Director  
Peter French – Scientific  
Director

Corporate Information  
ASX Code: BXN



19 April 2017

## **Bioxyne acquires New Zealand based product development company focused on direct sales to Asia Pacific**

### **Highlights**

- **Acquisition expands product range with addition of existing New Zealand sourced health & well-being and nutritional products**
- **Placement of 28,106,524 shares at 1.9 cents each to raise \$534,024**
- **Non-renounceable rights issue to raise \$2,530,326 to further develop the direct sales business**
- **Appointment of two new directors to the Board**

**Bioxyne Limited** (ASX:BXN) is pleased to announce that it has acquired a New Zealand based product development and sales business<sup>1</sup> that can take the existing and new products into Asia by establishing direct sales and marketing teams (Acquisition).

The business has an established and developing portfolio of functional foods, dietary supplements and skincare products<sup>2</sup>.

Mr Nam Hoat Chua, will be appointed Chief Executive Officer of Bioxyne Limited. Mr Chua has over 33 years' experience in the direct selling industry and was the previous Vice President Asia Pacific for New Image Limited (a New Zealand nutritional foods company) and successfully established direct sales offices in Malaysia, Indonesia, Vietnam, Thailand, Taiwan and the Philippines.

Tony Ho, Bioxyne's Chairman commented, *"This is an exciting business opportunity for Bioxyne to partner with an existing*

<sup>1</sup> Group comprises Global Treasure New Zealand Limited, New Zealand Nutritional Research Ltd and Pan Global Treasure Biotech Sdn Bhd

<sup>2</sup> Products include functional foods - BK18 and Allura, Skincare product – Bessence, and SuperLife product – Anthroflex. The companies have a range of products under development.

*product development and sales company to augment our clinically tested and patented probiotic PCC®. The new direct sales and marketing efforts will be led by Mr Chua who has a wealth of experience in Asia with its high growth of the middle income demographic. This represents a significant market opportunity for sales of quality health and well-being products developed in and sourced from highly regarded ingredients from Australia and New Zealand. A range of enhanced probiotic products featuring Bioxyne's PCC® strain of Lactobacillus fermentum is under development for this sales channel."*

Bioxyne has issued 18,000,000 shares at a deemed price of 1.9 cents per share (\$342,000) to acquire this business.

To facilitate the immediate expansion and development of the business the Company will issue 28,106,524 shares at a price of 1.9 cents per share to raise \$534,024 (before costs) (Placement).

Of the shares to be issued 30,363,915 will be issued under Listing Rule 7.1 and 20,242,610 will be issued under Listing Rule 7.1A. The Shares to be issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Security holder approval is not being sought for the issue of these shares as they fall within the Company's existing capacity.

The shares issued under listing rule 7.1A were issued at a 5% discount to the 15 day Volume Weighted Average Price of \$0.02.

### **Pro-Rata Non-Renounceable Rights Issue**

To enable the expansion of the business into Asia the Company will conduct a rights issue of one new share for every one existing share held at an issue price of \$0.01 (Rights Issue). In addition the new shares will have a free attaching option (exercisable at \$0.01 per share before 15 December 2017) on the basis of one option for every two new shares. Shareholders with a registered address in Australia or New Zealand on the record date will be entitled to participate.

Shares will be issued under the Placement prior to the record date for the Rights Issue.

The holders of 28.01% of shares in the Company have committed to taking up their entitlement under the Rights Issue. No holder will increase their interest to more than 20%.

The Rights Issue is fully underwritten by Veritas Securities Limited<sup>1</sup>. The following parties have agreed to sub-underwrite as follows:

Mr Chua – the first 76,666,667 shares  
Waitara Trustees Limited – 80% of remaining shortfall  
Veritas Securities Limited – 20% of remaining shortfall

<sup>1</sup>Mr Patrick Ford, a Director of the Company, is a Shareholder of Veritas Securities Pty Limited.

Further information on the Rights Issue (including the timetable) will be set out in a prospectus for the Rights Issue, which will be lodged with ASIC on or about 2 May 2017 and mailed to eligible shareholders shortly after the record date.

The underwriting agreement contains terminating events which are common for a transaction of this nature, including if there is a material adverse change in the assets, liabilities, financial position or financial performance of the Company, or if the ASX Biotechnology Index is during the term of the underwriting agreement more than 10% below the index when the underwriting agreement is executed.

The Company will implement a share sale facility for shareholders holding non-marketable parcels of shares following the Rights Issue.

#### **Capital Structure post Acquisition, Placement and Rights Issue**

On completion of the Rights Issue the Company's capital structure will be as follows:

Capital Structure	Shares	Options
Existing	202,426,101	5,667,000
Acquisition	18,000,000	-
CEO Sign On Fee	4,500,000	-
Placement	28,106,524	-
Rights Issue Securities	253,032,625	126,511,313
On completion of Rights Issue	506,065,250	132,178,313

### **Use of Funds**

It is intended that the funds raised from the Rights Issue be applied as follows:

Use of funds (approximately)	Subscription
Product development	500,000
Geographic expansion	1,000,000
Marketing	750,000
Working capital	122,326
Costs of the offer	158,000
<b>Total use of funds</b>	<b>\$2,530,326</b>

Eligible Shareholders should consider the prospectus before deciding whether to acquire new securities and will need to complete a personalised entitlement and acceptance form that will accompany the prospectus.

### **Appointment of Directors**

#### *Mr Nam Hoat Chua*

As outlined above, on completion of the Rights Issue, Mr Chua will be appointed Managing Director of Bioxyne Limited.

Mr Chua was Vice President of Asia Pacific for New Image Limited (previously listed on NZX), a position he held successfully for over 10 years. Mr Chua commenced his direct sales career in 1985 when he successfully launched First Image Sdn Bhd in Malaysia which later became a successful retailing company selling the Total Image brand of Health Care Products. In 1989, he set up a new network marketing company, Abric Image Sdn Bhd. This company was subsequently acquired by New Image Limited prior to it being listed on the NZX.

Mr Chua is fluent in Malay, Indonesian, Mandarin and several other dialects of Chinese. He has a BA in Economics and Commerce from the University of Toronto.

Mr Chua will receive an annual salary of \$240,000 per annum and a grant of 40,000,000 performance rights, subject to achieving hurdles over a three year period. The performance rights plan and the grant of these performance rights will be subject to shareholder and regulatory approval.

*Mr Maxwell Parkin*

Mr Parkin has over 35 years' experience of dairy management and consulting experience in New Zealand, Australia, China and South East Asia Pacific, the Americas, Africa and the Middle East.

Mr Parkin's former dairy industry roles included Group General Manager, Manufacturing, Fonterra; Director International Manufacturing, Fonterra and CEO of Southland Dairy Cooperative Company Limited. He also served on the Board of the NZ Dairy Research Institute.

Mr Parkin was a former non-executive director of the then listed New Image Limited, prior to that company being privatised, and is currently a director of Hubbard Foods Limited, Miraka Limited and Chairman of Combined Technologies Limited.

On completion of the Rights Issue, the Board of Bioxyne Limited will comprise:

Anthony Ho – Chairman

Nam Hoat Chua – Managing Director

Patrick Ford – Non-executive Director and chairman of Audit Committee

Dr Peter French – Scientific Director

Maxwell Parkin – Non-executive Director

For further information:

Tony Ho, Chairman, Bioxyne Limited

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Guy Robertson, Chief Operating Officer, Bioxyne Limited

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## About Bioxyne

Bioxyne Limited (ASX:BXN) is an Australian life sciences, health and medical technologies company (originated as VRI Biomedical Ltd in 2000) with a focus on immune health and immunotherapeutic products.

Bioxyne has a strategic investment in the consumer dietary supplements and functional foods markets through its proprietary probiotic, *Lactobacillus fermentum* PCC®. Bioxyne is a company creating value for consumers and investors by delivering safe and effective solutions.

Bioxyne's focus is currently on the company's probiotic business and proprietary product *Lactobacillus fermentum* PCC® which is supported by a manufacturing and distribution agreement with Chr. Hansen (Denmark) a global leader in the manufacturing of natural food additives and supplements products for the food, health, pharmaceutical and agriculture industries.

Bioxyne also has a distribution agreement with Nu-Skin Enterprises (USA) a successful worldwide multilevel marketing company who pride themselves in offering only quality solutions to their customers.

For more information on Bioxyne, please visit [www.bioxyne.com](http://www.bioxyne.com).