

2<sup>nd</sup> September, 2005

Dear Shareholder

Since the 2004 Annual General Meeting, Cosmedics Australia Limited ("CMA" or the "Company") has been seeking ways to further establish itself in the medical device marketplace. The first steps in that pursuit were the announcements concerning the acquisition of the IP, patents, production facilities and approvals for the Uniject retractable syringe (EnsiMed Assets).

A second phase of this establishment is the proposed acquisition of SSH Medical Workstation Pty Limited ("Workstation"). This acquisition would give CMA several opportunities to grow in terms of revenue in two areas of the market. Workstation has developed a General Practice diagnostic workstation, the MediStation, which allows a medical practitioner to capture, record and display the electronic health records of a patient, facilitating immediate (and later) review and provide an electronic history of the patient for other authorised medical reviewers. Further information on Workstation and the MediStation can be found in the Explanatory Statement that accompanies the Notice of Extraordinary General Meeting.

As part of our strategy, it has been stated previously that the Company would seek to obtain listing of its shares on the Australian Stock Exchange. It is now important for shareholders to consider and, if thought fit, pass further approvals to your Board to expedite that process.

The ASX requires 500 shareholders, each of whom has shares exceeding a value of \$2000, to achieve an acceptable level of "spread" for admission to the ASX. CMA intends to achieve this "spread" by two activities. Firstly, we intend to run a share purchase plan for CMA shareholders to purchase further securities such that many of the smaller shareholders have the opportunity to increase their shareholding to a minimum of \$2,000. Secondly, if necessary, an offer to purchase shares, via a prospectus, will be made to the public. Funds raised are to be used as working capital for commercialisation of the retractable syringe and the MediStation and to grow the Medipulse business. By these means we will secure our "spread" for a move onto the ASX.

In the opinion of the Directors, the acquisitions made recently have substantially increased the value of the Company. Both the acquisition of the EnsiMed Assets and the Workstation were, or will be, achieved by the issue of shares at twenty cents per share.

## Exercise of December 2005 Options

Many shareholders are currently holding options that are exercisable up until 31<sup>st</sup> December 2005. As a result of the bonus issue earlier in 2005, the exercise price was reduced from 20c to the preferred rate of 13.3c, CMA shareholdings were increased by 50% and option holdings were also increased by 50%.. Increasing your shareholding by exercise of these options may increase the likelihood of the company reaching the required spread for ASX listing and will provide working capital.

To exercise your options, if you hold December 2005 Options, as per NSX listing rules, option holders are required to send a cheque for the value of the options being exercised @13.3c per option to the company and share allocation will be made thereafter. If you are unsure of the number of options currently held you should contact ASX Perpetual Registrars Limited, Level 22, 300 Queen Street, Brisbane Qld 4000 or by telephone (02) 8280 7454.

## Share Purchase Plan (SPP)

Subject to both Australian Securities Investment Commission (ASIC) and shareholder approval, it is the intent of the Directors to offer a Share Purchase Plan to shareholders.

The SPP will also provide an opportunity for all shareholders to acquire shares at a preferred rate discounted by 20% to the average weighted index of share transactions on the last 5 trading days of the CMA shares on the NSX prior to the date of this notice. In the absence of trading in the last 5 days your Directors have determined that a 20% discount will apply to the last traded price of 18c, that is 14.4c per share. Shareholders will therefore be able to purchase either 17,000 shares @ 14.4 cents (\$2448.00) or a maximum of 34,000 @ 14.4 cents (\$4896.00). It will assist those holding unmarketable parcels to increase their holding to a marketable parcel.

## Proposed acquisition of SSH Medical Workstation Pty Limited (Workstation)

On 16 August 2005, CMA was able to announce to the market that the Company was proposing to acquire 100% of the share capital of SSH Medical Workstation Pty Limited ("SSH Medical Workstation") from SSH Medical Limited (SSH) (an Australian Stock Exchange Listed Company).

Consideration for the purchase takes the form of 12.5 million fully paid ordinary shares in Cosmedics at 20c to the vendor SSH, so SSH will be obtaining an interest in MediStation through this investment in Cosmedics, which will represent 19.1% of the then issued capital.

## Existing Businesses

The existing Cosmedics and Medipulse cosmetic businesses continue to provide a revenue stream for CMA.

Progress continues in relation to the production of the safety syringe with the recent announcement of completion of the purchase of the plant and equipment and the confirmation of the FDA and TGA approvals required for the manufacture of the syringe.

## Overview of the enclosed Notice of Extraordinary General Meeting

In order to implement these activities, the Resolutions in the enclosed Notice of Extraordinary General Meeting are designed to:

- approve the acquisition of SSH Medical Workstation Pty Limited;  
and, conditional on the acquisition of SSH Medical Workstation being approved, to:
- approve the issue of shares to the vendors of SSH Medical Workstation;  
and, conditional upon the two previous items being approved by shareholders, to:
- approve Directors issuing up to a further 30% of the then number of fully paid ordinary issued CMA shares to CMA shareholders participating in a Share Purchase Plan, subject to ASIC approval with the ability to purchase a minimum of 17,000 ordinary shares at 14.4 cents per share (\$2,448.00) or a maximum of 34,000 ordinary shares @ 14.4 cents (\$4896.00).

Full information regarding the Resolutions and proposed transactions can be found in the enclosed Explanatory Statement.

### Proxy form

These approvals are an important step forward in the development of CMA. If you cannot attend the Extraordinary General Meeting in person, you are encouraged to support the resolutions by completing and returning the enclosed Proxy Form in order to register your vote(s).

We look forward to seeing you at the Extraordinary General Meeting on Friday, 7th October, 2005.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'B. L.' followed by a period, written in a cursive style.

Dr Bronte Douglass  
Chairman

# **COSMEDICS AUSTRALIA LIMITED**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

NOTICE IS GIVEN that an EXTRAORDINARY GENERAL MEETING of **Cosmedics Australia Limited**, ABN 38 002 862 017, ("CMA" or the "Company") will be held:

- on Friday 7<sup>th</sup>, October, 2005
- at 10.00 am
- on Level 1, 219 Blaxland Road, Ryde NSW 2112

The Notice of Extraordinary General Meeting should be read in conjunction with the accompanying Explanatory Statement.

### **BUSINESS:**

#### **RESOLUTION 1 - SIGNIFICANT CHANGE IN THE NATURE OF THE COMPANY'S ACTIVITIES**

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

"That, subject to the passing of Resolutions 2 and 3, for the purposes of NSX Listing Rule 6.41 approval is given for the Company to make any significant change in the nature or scale of its activities which arise as a result of the acquisition by the Company of all of the issued share capital of SSH Medical Workstation Pty Ltd (ACN 106 513 375) ("Workstation")."

#### **RESOLUTION 2 – ACQUISITION OF SSH MEDICAL WORKSTATION PTY LTD**

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

"That, subject to the passing of Resolutions 1 and 3, approval is given for the Company to acquire all of the issued share capital of Workstation pursuant to the Share Purchase Agreement as described in the Explanatory Statement."

#### **RESOLUTION 3 - APPROVAL OF SECURITIES TO BE ISSUED TO SSH MEDICAL LIMITED**

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

"That, subject to the passing of Resolutions 1 and 2, for the purposes of Item 7 of s.611 of the Corporations Act 2001 (Cth), NSX Listing Rule 6.25 and for all other purposes, members approve the issue by the Company to SSH Medical Limited (ABN 75 070 028 625) of 12,500,000 fully paid ordinary shares in the Company in connection with the acquisition by the Company of Workstation pursuant to the terms of the Share Purchase

Agreement, the principal terms and conditions of which are set out in the Explanatory Statement to this Notice, and any other final agreement relating to the acquisition of the shares."

#### **RESOLUTION 4 – SHARE PURCHASE PLAN**

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

"That, for the purposes of Item 7 of s.611 of the Corporations Act 2001 (Cth), NSX Listing Rule 6.25 and for all other purposes and subject to passing Resolution 1 to 3 (inclusive) and ASIC approval being obtained, members approve the Directors causing to be issued up to 30% of the then issued share capital in the Company to the Company's shareholders so that the Company's shareholders can participate in a share purchase plan, the principal terms of which are that:

- (a) the shares shall be issued at \$0.144 per share fully paid;
- (b) the minimum number of shares that may be purchased under the share purchase scheme is 17,000; and
- (c) the maximum number of shares that may be purchased under the share purchase scheme is 34,000.

#### **OTHER BUSINESS**

To transact any other business as may be brought before the meeting in accordance with the Constitution of the Company, the NSX Listing Rules, the Corporations Act 2001 (Cth), or otherwise.

By Order of the Board



Dr Bronte Douglass

Date: 2<sup>nd</sup> September 2005  
Chairman

## **NOTES:**

These Notes form part of the Notice of Extraordinary General Meeting. The Notice of Extraordinary General Meeting should be read in conjunction with the accompanying Explanatory Statement.

### **Voting exclusion statements**

The Company will disregard any votes cast on:

- (a) **Resolution 1** by the Vendor, SSH and its associates.
- (b) **Resolution 2** by the Vendor, SSH and its associates.
- (c) **Resolution 3** by the Vendor, SSH and its associates.

**However** a vote on the relevant resolution will not be disregarded if:

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

### **Eligibility to vote**

In accordance with section 1074D of the Corporations Act 2001 (Cth) and the Company's Constitution, a person's entitlement to vote at the Extraordinary General Meeting will be determined by reference to the number of fully paid shares registered in the name of that person (reflected in the Register of Members) as at 10.00 am on Wednesday 5<sup>th</sup> October, 2005.

### **Proxy votes**

A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his/her place.

## **Explanatory Statement**

Details of each Item of Business and Resolution to be considered at the Extraordinary General Meeting are set out below in this Explanatory Statement together with the recommendation of Directors and should be read in conjunction with the Notice of Meeting. Shareholders are strongly encouraged to read this Explanatory Statement in full. Shareholders should also feel free to contact the Company if they have any questions.

**Medical Workstation Pty Limited** is the business unit of SSH Medical Limited with responsibility for developing and commercialising the MediStation. A copy of the MediStation brochure is included for your information. Consultation with practitioners has confirmed that the concepts underlying the MediStation represent the way that practitioners anticipate working when electronic health records (“EHR”) are required. There has been further recent engineering of the MediStation to reduce its cost and install open interface architecture software, and reduce the footprint of the product.

The acquisition of Workstation for a consideration of 12,500,000 shares in CMA at .20c gives CMA a substantial opportunity to participate in the Electronic Health Record (EHR) capture process with a product that can be used by all GP’s and other medical professionals in the Australian market. On completion of the acquisition of the Shares in Workstation, the Company will own all rights in respect of the general medical practice workstation and will have the capacity to commercialise it.

The acquisition of the Shares is subject to the satisfaction of a number of conditions including the obtaining of all shareholder and regulatory approvals. It is anticipated by the Directors that these conditions will be satisfied in the coming months.

SSH will be obtaining an interest in MediStation through this investment in Cosmedics, which will represent 19.1% of the then issued capital

### **Resolution 1 – Significant Change in the Nature of the Company’s Activities**

The effect of the completion of the acquisition of the Shares will be to change the nature and style of the Company’s activities.

Presently the Company’s business involves the delivery of intense pulse light treatments and Botox injection in the Sydney Metropolitan area. The Company also recently acquired a business involving the manufacturing and distribution of a syringe with a retractable needle mount. Once the acquisition of the patents relating to the syringe has been completed, the Company will be in a position to manufacture the syringe. While the Company will continue to conduct these businesses, the Directors anticipate that the business of the development and commercialization of the workstation will develop to become a significant part of the Company’s activities.

### **Resolution 2 - Acquisition of SSH Medical Workstation Pty Ltd**

Resolution 2 seeks approval of the Shareholders for the acquisition from SSH Medical Limited of the Shares in Workstation. SSH Medical Limited is the current owner of all of the issued shares in Workstation.

### **Resolution 3 – Approval of Securities to be issued to SSH Medical Limited**

Resolution 3 seeks the approval of Shareholders for the issue of shares in the Company to SSH Medical Limited as the consideration of the acquisition of the Shares in Workstation.

Recommendation: The Directors unanimously recommend that shareholders vote in favour of Resolutions 1, 2 & 3.

### **Resolution 4 – Share Purchase Plan**

As part of our strategy, it has been stated previously that the Company would seek to obtain listing of its shares on the Australian Stock Exchange. It is now important for shareholders to consider and, if thought fit, pass further approvals to your Board to expedite that process.

The ASX requires 500 shareholders, each of whom has shares exceeding a value of \$2000, to achieve an acceptable level of “spread” for admission to the ASX. CMA intends to achieve this “spread” by two activities. Firstly, we intend to run a share purchase plan for CMA shareholders to purchase further securities such that they increase their shareholding to a minimum of \$2,000. This will be subject to the necessary approval from ASIC and Newcastle Stock Exchange

Resolution 4 seeks the approval of the Shareholders for the Company to cause up to 30% of the issued share capital in the Company to be offered to the Company’s shareholders. The principal terms of the share purchase plan are:

- the shares shall be issued at \$0.144 per share fully paid;
- the minimum number of shares that may be purchased under the share purchase scheme is 17,000 (\$2,448.00); and
- the maximum number of shares that may be purchased under the share purchase scheme is 34,000 (\$4896.00).

Recommendation: The Directors unanimously recommend that shareholders vote in favour of Resolution 4.



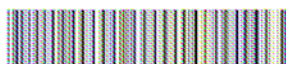
## COSMEDICS AUSTRALIA LIMITED

ABN 58 602 862 017

Please return your Proxy forms to:  
ASX Perpetual Registrars Limited  
Level 8, 680 George Street, Sydney, NSW, 2000  
Locked Bag A14, Sydney South, NSW, 1235  
Telephone: (02) 8280 7454  
Facsimile: (02) 9287 0369  
ASX Code: CMA  
Email: [registrars@asxperpetual.com.au](mailto:registrars@asxperpetual.com.au)  
Website: [www.asxperpetual.com.au](http://www.asxperpetual.com.au)

### APPOINTMENT OF PROXY

If you would like to attend and vote at the Extraordinary General Meeting, please bring this form with you. This will assist in registering your attendance.



X99999999999

I/We being a member(s) of Cosmedics Australia Limited and entitled to attend and vote hereby appoint

**A** 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 (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/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 instructions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at Level 1, 219 Blandford Road, Ryde, New South Wales, 2112 at 10:00am on Friday, 7 October 2005 and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

**B** To direct your proxy how to vote on any resolution please insert ☒ in the appropriate box below.

#### Resolution 1

Significant Change in the Nature of the Company's Activities

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Resolution 2

Acquisition of SSM Medical Workstation Pty Limited

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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#### Resolution 3

Approval of Securities to be issued to SSM Medical Limited

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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#### Resolution 4

Share Purchase Plan

<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.

### C SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder'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 securityholder's constitution and the Corporations Act 2001 (Cth).

ASX Perpetual Registrars Limited advises that Chapter 2C of the Corporations Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website ([www.asxperpetual.com.au](http://www.asxperpetual.com.au)).

CMA PRX541

## INSTRUCTIONS FOR COMPLETION OF PROXY FORM

### 1. Your Name and Address

This is your name and address as it appears in the register of members of Cosmedics Australia Limited ("**Company**"). If this information is incorrect, please mark the box and make the correction on the form. Members sponsored by a broker should advise their broker of any changes. **Please note you cannot change the ownership of your shares using this form.**

### 2. Appointment of Proxy

If you wish to appoint the Chairperson of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairperson of the Meeting, write the name of that person. A proxy may be an individual or a body corporate. If you leave this section blank or your named proxy does not attend the Meeting, the Chairperson of the Meeting will be your proxy. A proxy need not be a member of the Company.

### 3. 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. To appoint a second proxy you must:

- (a) on each of the first Proxy Form and 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 one half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

### 4. Voting directions to your Proxy

You may direct your proxy how to vote on an item of business by placing a mark in one of the three boxes opposite that item of business. All of your shares will be voted in accordance with your direction unless you indicate a proportion of voting rights 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 a given item, your proxy may decide whether or how to vote on that item. If you mark more than one box on an item, your vote on that item will be invalid.

### 5. Signature of Members

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

Individual	where the holding is in one name, the member must sign.
Joint Holding	where the holding is in more than one name, all of the members must sign.
Power of Attorney	to sign under Power of Attorney, either the Power of Attorney must have already been lodged with the Company's Share Registry for notation or the original (or a certified copy) of the Power of Attorney must accompany this document.
Companies	the following person(s) must sign: (a) Australian proprietary company with a sole director who is also

- the sole company secretary - that person;
- (b) Australian proprietary company with a sole director and no company secretary - that person;
- (c) other Australian companies - two directors or one director and one company secretary;
- (d) foreign company - in accordance with the laws of the jurisdiction of incorporation and constituent documents.

#### 6. Lodgement of Proxy

This proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not later than 10.00am EST on Wednesday 5<sup>th</sup> October, 2005. Any proxy form received after that time will not be valid for the scheduled meeting.

#### **Documents may be lodged:**

- by posting, delivery or facsimile to the Company's Share Registry at:

ASX Perpetual Registrars Limited  
Locked Bag A14  
Sydney South NSW 1235  
Facsimile to (02) 9287 0309

- by posting, delivery or facsimile to the Company at the address below:

Cosmedics Australia Limited  
Level 1, 219 Blaxland Road, Ryde NSW 2112  
P O Box 219, Ryde NSW 1680  
Facsimile to (02) 9807 3000

Personal information: Chapter 2C of the *Corporations Act* 2001 requires information about you (including your name, address and details of the shares you hold) to be included in the Company's register of members. This information must continue to be included in the Company's register of members if you cease to be a shareholder. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. The Company may disclose this information for purposes related to your shareholding, including in circumstances permitted under the Chapter 2C of the *Corporations Act* 2001. You can obtain access to your personal information in the Company's register of members in accordance with Chapter 2C of the *Corporations Act* 2001

#### **Bodies Corporate**

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.