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Attention: Cheng Tang

ASX Compliance Pty Ltd
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

By Email: cheng.tang@asx.com.au

7 January 2019

Dear Cheng,

Starpharma Holdings Limited (ASX:SPL) – Aware Query Request for Information

In reference to your letter dated 3 January 2019, please find answers to your request for information:

1. *Does SPL consider the information in the US FDA Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

   Yes.

2. *If the answer to question 1 is "no", please advise the basis for that view.*

   Not applicable.

3. *If the answer to question 1 is "yes", when did SPL first become aware of the information?*

Starpharma received a copy of the FDA notification via email from our US regulatory representative on the morning of Thursday 27 December at 9.31am (Melbourne time).

The US FDA letter, dated 26 December 2018, was electronically signed at 2.56pm US Washington time (approximately 7am on 27 December Melbourne time) and, as Starpharma is a non-US company, all official US FDA correspondence is required to be through the designated US regulatory agent. We understand that the letter was received from FDA by our US regulatory agent via email at around 4.30pm 26 December (US time), which was 8.30am 27 December in Melbourne.

The US FDA Announcement was prepared promptly and released to the market as soon as practicable after Starpharma became aware of the information.

4. *If the answer to question 1 is "yes" and SPL first became aware of the information before the relevant date, did SPL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SPL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SPL took to ensure that the information was released promptly and without delay.*

   Not applicable - the information was released promptly and without delay.

5. *Does SPL consider the information in the Japanese PMDA Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

   The Company does not consider that the information in the Japanese PMDA Announcement was likely to have a material effect on the price or value of its securities.

6. *If the answer to question 5 is "no", please advise the basis for that view.*

   The VivaGel® condom in Japan is not a material part of Starpharma's business. The relative value of the VivaGel® condom overall has declined with the significant developments in the far more valuable DEP® platform and VivaGel® BV product over the last few years. That said, the Japanese approval remains of interest to some longstanding shareholders who have been following the progress of the VivaGel® condom and so an announcement of this development was considered appropriate. The incremental revenue from the Japanese VivaGel® condom market opportunity is not expected to be material in the context of anticipated revenues from the DEP® platform and VivaGel® BV product.

   The Company's view is supported by independent professional analyst's (Bell Potter, May 2018) modelling attributing the value of the Japanese VivaGel® condom opportunity at less than 1% of their total sum-of-parts valuation of Starpharma.

7. *If the answer to question 5 is "yes", when did SPL first become aware of the information?*

   Although the answer to question 5 is "No", for completeness, below are the details of the timing of receipt of information by the Company.

   Starpharma received an initial email in Japanese on Friday 28 December at 4.12pm (Melbourne time) from Starpharma's Japanese partner, Okamoto. At this point, Starpharma was not aware of the nature or significance of the correspondence given that it was entirely in Japanese.

In accordance with its standard process for foreign language correspondence from foreign partners or regulators, Starpharma then sought the translation and interpretation of the correspondence from our specialist Japanese consultant. It is important to appreciate that regulatory communications in the pharmaceutical industry are typically complex and subtle differences in language can be quite material to the overall outcome. As such, the correspondence in Japanese requires specialist expertise to interpret both the foreign language and to ensure an understanding of the context and significance of the correspondence. Starpharma's experience is that reliance on standard translation tools or translators for interpretation of complex technical information is risky as the results can be quite misleading/inaccurate.

While Starpharma worked diligently to have the correspondence translated and interpreted as soon as possible, due to the weekend, proximity to the New Year and our consultant's holiday/overseas travel, there was limited availability of Starpharma's Japanese consultant and contact was particularly challenging over this period.

Given the above, Starpharma first became aware of the nature of the information in the correspondence from Okamoto on Tuesday 1 January 2019 after receiving a verbal English language translation and interpretation on the meaning of the correspondence from our specialist Japanese consultant and moved to promptly make an ASX announcement after this time.

8. *If the answer to question 5 is "yes" and SPL first became aware of the information before the relevant date, did SPL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SPL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SPL took to ensure that the information was released promptly and without delay.*

   Although the answer to question 5 is "No", for completeness, below are further details of the timing of information.

   Starpharma ensured that the Japanese PMDA Announcement was finalised and released to the market before open on 2 January 2019, with translation and interpretation of the content and context of the relevant correspondence being received on 1 January 2019, and that day being a non-ASX trading day.

   Until the English language interpretation and translation on the meaning of the Japanese language correspondence was received by Starpharma from our Japanese consultant, the Company did not have information that would require disclosure under the ASX Listing Rules as it was not aware of the nature or significance of the subject matter of the correspondence. In fact, without the English language interpretation, any disclosure could potentially have been misleading and led to trading on an ill-informed basis as Starpharma could not confidently predict the nature of the information in the correspondence.

   The Company believes that the information regarding the Japanese approval remained confidential at all times prior to disclosure of the Japanese PMDA Announcement.

9. *SPL's securities trading policy prohibits the dealing in securities while in possession of inside information (or price sensitive information). Please confirm that when the trades occurred on 28 December 2018, the Directors were in compliance with SPL's securities trading policy.*

   At the time the directors' trading occurred on 28 December 2018, each director was in compliance with Starpharma's securities trading policy.

We note the initial email which was both in Japanese and was received on Friday 28 December at 4.12pm (Melbourne time) was subsequent to the trading by directors on the day.

10. *Please confirm that SPL is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

    Starpharma confirms it is complying with the Listing Rules, in particular, Listing Rule 3.1.

11. *Please confirm that SPL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SPL with delegated authority from the board to respond to ASX on disclosure matters.*

    Starpharma confirms these responses to the questions above have been authorised and approved in accordance with the Company's published continuous disclosure policy.

Yours sincerely,



Nigel Baade
Company Secretary

3 January 2019

Mr Nigel Baade
Company Secretary
Starpharma Holdings Limited

By email

Dear Mr Baade

Starpharma Holdings Limited ('SPL'): Aware Query

ASX refers to the following:

A. SPL's announcement entitled "US FDA requests further data for VivaGel BV approval" lodged on the ASX Market Announcements Platform and released at 1:44 PM on 27 December 2018 (the 'US FDA Announcement'), disclosing the FDA's advice that it will require confirmatory clinical data prior to approving VivaGel BV.

B. The change in the price of SPL's securities from $1.44 at opening of trade on 27 December 2018 to $0.99 at close of trade on that day resulting in a decrease of 29.64%.

C. The change in director's interest notices for Messrs Thomas, Fairley and Turvey (the 'Directors') lodged on 28 December 2018 disclosing the on market acquisition of securities in SPL on that day by each of the named directors.

D. The change in the price of SPL's securities from $1.00 at opening of trade on 31 December 2018 to $1.19 at close of trade on that day resulting in an increase of 23.44%

E. SPL's announcement entitled "VivaGel condom receives final regulatory approval in Japan" lodged on the ASX Market Announcements Platform and released 9:39 AM on 2 January 2019 (the 'Japanese PMDA Announcement'), disclosing that the VivaGel condom has received final regulatory approval from the Japanese Pharmaceuticals and Medical Devices Agency.

F. The change in the price of SPL's securities from $1.19 at opening of trade on 2 January 2019 to $1.06 at close of trade on that day resulting in a decrease of 10.55%

G. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

H. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

> *"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*

I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

> *"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
>
> *3.1A.1 One or more of the following applies:*
>
> - *It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

J. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

> *"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*

Request for Information

Having regard to the above, ASX asks SPL to respond separately to each of the following questions and requests for information:

1. Does SPL consider the information in the US FDA Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did SPL first become aware of the information?
4. If the answer to question 1 is "yes" and SPL first became aware of the information before the relevant date, did SPL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SPL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SPL took to ensure that the information was released promptly and without delay.
5. Does SPL consider the information in the Japanese PMDA Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
6. If the answer to question 5 is "no", please advise the basis for that view.
7. If the answer to question 5 is "yes", when did SPL first become aware of the information?
8. If the answer to question 5 is "yes" and SPL first became aware of the information before the relevant date, did SPL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe SPL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps SPL took to ensure that the information was released promptly and without delay.

9. SPL's securities trading policy prohibits the dealing in securities while in possession of inside information (or price sensitive information). Please confirm that when the trades occurred on 28 December 2018, the Directors were in compliance with SPL's securities trading policy.

10. Please confirm that SPL is complying with the Listing Rules and, in particular, Listing Rule 3.1.

11. Please confirm that SPL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SPL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Tuesday, 8 January 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in SPL's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SPL's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at **cheng.tang@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to SPL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note *8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that SPL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in SPL's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 Trading Halts & Voluntary Suspensions.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in SPL's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Cheng Tang
Senior Adviser, Listings Compliance (Melbourne)