

3 July 2018

Market Announcements Platform
Australian Securities Exchange

(Via ASX Online)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Academies Australasia Group Limited (ASX:AKG) today sent to shareholders the Notice of Extraordinary General Meeting, Explanatory Notes and Proxy Form attached to this ASX announcement.

Stephanie Noble
Company Secretary

For further information call Christopher Campbell on +61 2 9224 5555.

Academies Australasia has been operating for 110 years and listed on the Australian Securities Exchange for 40 years. The group comprises 18 separately licensed colleges operating in New South Wales, Victoria, South Australia, Western Australia and Queensland in Australia, and in Singapore. The group offers more than 250 qualifications in a wide range of recognised courses at different levels – Certificates, Diplomas, Advanced Diplomas and Bachelor and Master Degrees. Over the years, Academies Australasia colleges have taught more than 100,000 students from 129 countries, including 6 dependencies.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Academies Australasia Group Limited (**Company**) will be held at Level 6, 505 George Street, Sydney NSW, Australia, on Wednesday 1 August 2018 at 11.30am.

AGENDA:

To consider, and if thought fit, to pass, the following as a special resolution:

“That, subject to the passing of the special resolution at the Special Class Meeting, and for the purposes of section 256C(2)(a) of the Corporations Act, the Company's constitution, and for all other purposes, approval is hereby given for the Company to buy back and cancel 4,139,612 fully paid ordinary shares in the Company held by DFL Holdings Pty Ltd ACN 156 399 709 with effect from the date that is 14 days after this special resolution is lodged with ASIC, on the terms and subject to the conditions set out in the Explanatory Notes for the Meeting.”

The Company will disregard any votes cast in favour of this special resolution by the Affected Shareholder (and any of its Associates).

(Please refer to the Explanatory Notes.)

By Order of the Board
Stephanie Noble
Company Secretary

3 July 2018

Notes: Only registered holders (or their appointed proxy) of ordinary shares are entitled to address the Meeting and vote at the Meeting. Shareholders who are unable to attend and vote are entitled to appoint a proxy to attend and vote in their stead. That person need not be a member of the Company but should be a natural person at least 18 years of age. A shareholder who is entitled to cast two or more votes may appoint two proxies. Where two proxies are appointed, each proxy must be on a separate proxy form and be appointed to represent a proportion of the member's voting rights. Proxy forms executed by companies must be in accordance with the Corporations Act. Proxy forms must be lodged at the Registered Office of the Company (Level 6, 505 George Street, Sydney NSW 2000, Australia) or sent by facsimile to the Registered Office of the Company (+61 2 9224 5550) or sent by email to companysecretary@academies.edu.au, before 11.30am on 30 July 2018. (Proxy form enclosed).

**EXTRAORDINARY GENERAL MEETING
AT 11.30AM ON 1 AUGUST 2018:**

PROXY FORM

Proxy forms must be lodged at the Registered Office of the Company (Level 6, 505 George Street, Sydney NSW 2000, Australia) or sent by facsimile to the Registered Office of the Company (+61 2 9224 5550) or sent by email to *companysecretary@academies.edu.au*, before 11.30am on 30 July 2018.

A. Registered Holder Details

Name: _____

Address: _____

Number of Ordinary Shares held: _____

B. Appointment of Proxy

I/We being the Registered Holder stated above and being entitled to attend and vote, hereby appoint:

The Chairman of the Meeting
(Please tick or mark with a cross in the box, if selecting this option)

OR

(Name)

(Leave this box blank if you have selected the Chairman of the Meeting to vote on your behalf)

or, in his/her absence, 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 Special Class Meeting of the Company, to be held at 11:30am on 1 August 2018 or at any adjournment of that Meeting.

C. Voting Directions

Should you decide to direct your proxy how to vote, please tick or mark with a cross in the appropriate box against each item below. If you do not, your proxy may vote as he/she thinks fit or abstain.

***Important Note:** If the Chairman of the Meeting is (or becomes) your proxy, you can direct the Chairman of the Meeting to vote for or against or abstain from voting on each resolution by marking the appropriate box. Please note that the Chairman of the Meeting intends to vote undirected proxies in favour of the resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.*

Resolution

For

Against

Abstain

To approve the selective reduction of capital

D. Signature(s)

This section **MUST** be signed to enable your directions to be implemented.

Where the holding is in **one name**, the holder must sign. Where the holding is in **more than one name** all the holders must sign.

To sign under a **Power of Attorney**, you must have already lodged the Power of Attorney with the Company. If you have not previously lodged the Power of Attorney for notation, please attach a certified photocopy of the Power of Attorney to this form when you submit it.

For corporations, a Director must sign jointly with another Director or a Company Secretary. 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 does not have a Company Secretary, a Sole Director can also sign alone.

Please indicate the office held by signing in the appropriate space and crossing out the office that is not applicable.

Signed this _____ day of _____ 2018

Individual or Joint Shareholder(s):

Corporate Shareholders:

Individual / Shareholder 1

Director

Shareholder 2

Director / Company Secretary

Shareholder 3

Sole Director and Sole Company Secretary

EXTRAORDINARY GENERAL MEETING ON 1 AUGUST 2018:

EXPLANATORY NOTES

ORDINARY BUSINESS

AGENDA: TO APPROVE SELECTIVE REDUCTION OF CAPITAL

1 Introduction

- 1.1 In November 2013, Academies Australasia Group Limited ABN 93 000 003 725 (**Company**) announced a transaction pursuant to which it would acquire DFL Education (QLD) Pty Ltd (now known as Academies Australasia Hair & Beauty Pty Ltd) (**Hair & Beauty Pty Ltd**) from DFL Holdings Pty Ltd ACN 156 399 709 (**Affected Shareholder**) and the Affected Shareholder would acquire Premier Fasteners Pty Ltd (**Premier**) from the Company¹.
- 1.2 The consideration payable by the Company for Hair & Beauty Pty Ltd was \$0.94 million in cash and 3,409,091 in new fully paid ordinary shares in the Company (each, a **Share**) at the deemed issue price of \$1.10 per Share. The Consideration payable by the Affected Shareholder for Premier was \$7.69 million in cash. After this transaction was completed, the Affected Shareholder also acquired additional Shares at various prices bringing its total holding of Shares to 4,139,612.
- 1.3 In the light of the Affected Shareholder's decision to sell its holding of 4,139,612 Shares and having regard to the relative illiquidity in the Shares on ASX, the Affected Shareholder and the Company have agreed (subject to Shareholders' approval) that the Company buy back and cancel each of the Affected Shareholder's Shares for \$0.35 per Share (**Selective Reduction of Capital**).
- 1.4 The total consideration payable by the Company to the Affected Shareholder is \$1,448,864.20. The buyback price per Share agreed between the Company and the Affected Shareholder of \$0.35 represents a discount of 6.7% to the closing price of Shares on ASX on 2 July 2018 and a discount of 22.2% to the volume weighted average price of Shares traded on ASX from 2 January 2018 to 2 July 2018.

¹ For further information in relation to this particular transaction, please see the Company's ASX announcements dated 5 and 6 November 2013.

- 1.5 The purpose of the resolution is to seek Shareholder approval under section 256C(a) of the *Corporations Act 2001* (Cth) (**Corporations Act**) to conduct the Selective Reduction of Capital at the agreed price of \$0.35 per Share and then to cancel each of the 4,139,612 Shares bought back from the Affected Shareholder.
- 1.6 The resolution is a special resolution meaning that in order for it to be approved at least 75% of the votes cast by Shareholders present at the Extraordinary General Meeting and eligible to vote (whether in person, by proxy, by attorney, or in the case of a corporate Shareholder, by corporate representative) on the resolution must be in favour of the resolution.
- 1.7 There are 2 separate meetings. The first is a **Special Class Meeting** at 11.00am on 1 August 2018. The only person eligible to vote at this meeting is the Affected Shareholder. The second meeting is the **Extraordinary General Meeting** at 11.30am on the same day. All shareholders are eligible to vote at the second meeting.

2 Corporations Act requirements

- 2.1 Section 256B of the Corporations Act has the effect that the Company may conduct the Selective Reduction of Capital in a way that is "not otherwise authorised by law" if the Selective Reduction of Capital:
 - (a) is fair and reasonable to Shareholders as a whole;
 - (b) does not materially prejudice the ability of the Company to pay its creditors; and
 - (c) is approved by Shareholders under section 256C of the Corporations Act.
- 2.2 The Directors of the Company believe that the Selective Reduction of Capital is fair and reasonable to Shareholders as a whole and that it will not have a material impact on the ability of the Company to pay its creditors for the following reasons:
 - (a) The acquisition price per Share to be bought back and cancelled is at a significant discount to the recently observed trading history of the Shares on ASX.
 - (b) All things being equal, the reduction in the total number of Shares on issue (ie following the cancellation of the Affected Shareholder's Shares) should:
 - (i) increase each Shareholder's proportionate percentage interest in the Company; and
 - (ii) be earnings (and revenue) per (remaining) Share accretive for Shareholders.
 - (c) Given the historically illiquid trading activity of the Shares on ASX, the Selective Reduction of Capital is preferable to the Affected Shareholder

selling its Shares in one (or a number of) ordinary "on-market" trades as any such transaction is likely to have a disproportionately large impact on the Share's post-disposal trading price on ASX.

- (d) The Company is able to fund the consideration payable for the 4,139,612 Shares (being, \$1,448,864.20) out of its existing cash reserves.

2.3 Further information about the Selective Reduction of Capital is set out below:

Shares currently on issue	Number proposed to be bought-back and cancelled	Percentage proposed to be bought back and cancelled	Shares on issue post-Selective Reduction
131,754,079	4,139,612	3.142%	127,614,467

2.4 Neither the Affected Shareholder, nor any of its directors or associates², is a director of the Company or of any of its subsidiaries.

2.5 Neither the Company, nor any of its directors or associates, is a director of the Affected Shareholder or any of its subsidiaries.

2.6 The Directors of the Company do not believe that the Selective Reduction of Capital will have a material impact on the control of the Company.

2.7 The table below sets out the relevant interests of each of the Directors of the Company as at the date of this Notice of Meeting/Explanatory Notes:

Director	Total Shares held	% of Shares (pre-Selective Reduction)	% of Shares (post-Selective Reduction)
Chiang Meng Heng ³	51,185,961	38.850%	40.110%
Christopher Campbell	16,815,195	12.763%	13.177%
Dr John Lewis Schederer	7,977,000	6.054%	6.250%
Sartaj Hans	708,096	0.537%	0.554%
Gabriela Rodriguez	80,549	0.061%	0.063%

² The term "associate" is defined in Chapter 19 of the ASX Listing Rules.

³ Chiang Meng Heng's relevant interest includes 7,648,232 Shares held by Eng Kim Low.

- 2.8 The table below sets out the interests (based on substantial holder notices given to the Company) of each of the Company's (non-Director) substantial holders (ie holders holding at least 5% of the Shares), other than Eng Kim Low (*See Note 3 in 2.7*) as at the date of this Notice of Meeting/Explanatory Notes:

Substantial Shareholder	Total Shares held	% of Shares (pre-Selective Reduction of Capital)	% of Shares (post-Selective Reduction of Capital)
Andrew Low	17,326,981	13.151%	13.578%
Raphael Geminder	6,601,910	5.011%	5.174%

- 2.9 Upon completion of the buy back and cancellation of the Shares held by the Affected Shareholder, every (remaining) shareholder will enjoy an increase in their stake in the Company, because the total Shares on issue would be reduced by 4,139,612 Shares (3.142%), from 131,754,079 to 127,614,467 Shares. The new (higher) percentage of each Shareholder's stake will be as follows:

$$\text{New Percentage on New Total Shares} = \frac{\text{Percentage on Current Total Shares} \times 100.00}{96.858}$$

- 2.10 The Company does not believe that the Selective Reduction of Capital will have a material impact on the Company's financial position or performance for the 2018 financial year above and beyond what is disclosed in this Notice of Meeting/Explanatory Notes.
- 2.11 During the past 6 months, from 2 January 2018 to 2 July 2018, the Company's Shares have traded on ASX from a high of \$0.54 on 3 January 2018 to a low of \$0.365 on 27 June 2018. The last traded price of the Company's Shares on ASX was \$0.375 on 27 June 2018.
- 2.12 The Directors believe that all information known to the Company or its Directors that is material to the decision of Shareholders on how to vote on the special resolution is disclosed in this Notice of Meeting/Explanatory Notes or has otherwise previously been disclosed to Shareholders.
- 2.13 This Notice of Meeting/Explanatory Statement has been lodged with ASIC in accordance with section 256C(5) of the Corporations Act and has also been given to ASX. Neither ASIC nor ASX takes any responsibility for the contents of this document.
- 2.14 Copies of the Company's ASX announcements (including its latest financial reports) are available on the Company's website www.academies.edu.au or on ASX's website at www.asx.com.au.

3 Directors' Recommendation

Your Directors (each of whom intends to vote their Shares in favour of the special resolution) recommend that you vote in favour of the Selective Reduction of Capital.

4 Voting Exclusion Statement

4.1 The Company will disregard any votes cast in favour of the special resolution by the Affected Shareholder (and any of its Associates).

4.2 Any Shareholder entitled to vote who is thinking of appointing a person who is not entitled to vote as their proxy, should be aware that unless the proxy contains specific instructions on the manner in which they want their vote to be cast on this resolution, that person will be prohibited from exercising votes on behalf of the Shareholder giving the proxy in relation to this resolution.

5 Special Class Meeting

The notice of the special class meeting (**Special Class Meeting**) in relation to the buy back and cancellation of the Affected Shareholder's Shares is set out in the annexure to this document.

Annexure 1 - Notice of Special Class Meeting

NOTICE OF SPECIAL CLASS MEETING

NOTICE IS HEREBY GIVEN that a SPECIAL CLASS MEETING of Academies Australasia Group Limited will be held at Level 6, 505 George Street, Sydney NSW, Australia, on 1 August 2018 at 11.00am.

AGENDA:

To consider, and if thought fit, to pass, the following as a special resolution:

“That, subject to the passing of the special resolution at the Extraordinary General Meeting of the Company held on 1 August 2018, and for the purposes of section 256C(2)(b) of the Corporations Act, the Company's constitution, and for all other purposes, approval is hereby given for the Company to buy back and cancel 4,139,612 Shares held by the Affected Shareholder with effect from the date that is 14 days after the special resolution of the Extraordinary General Meeting is lodged with ASIC, on the terms and subject to the conditions set out in the Explanatory Notes for the Extraordinary General Meeting.”

The Explanatory Notes for the Extraordinary General Meeting disclose all material information known by the Company and its Directors that is relevant to the Affected Shareholder's decision on how to vote at the Special Class Meeting.

Furthermore, the Directors of the Company have determined pursuant to section 256C(2) of the Corporations Act that *the only person eligible to vote at the Special Class Meeting is the Affected Shareholder (ie the person whose Shares are proposed to be bought back and cancelled by the Company).*

By Order of the Board
Stephanie Noble
Company Secretary

3 July 2018

Notes: The Proxy form must be lodged by the Affected Shareholder at the Registered Office of the Company (Level 6, 505 George Street, Sydney NSW 2000, Australia) or sent by facsimile to the Registered Office of the Company (+61 2 9224 5550) or sent by email to companysecretary@academies.edu.au, before 11.00am on 30 July 2018. (Proxy form enclosed).

SPECIAL CLASS MEETING AT 11.00AM ON 1 AUGUST 2018:

PROXY FORM

Proxy forms must be lodged at the Registered Office of the Company (Level 6, 505 George Street, Sydney NSW 2000, Australia) or sent by facsimile to the Registered Office of the Company (+61 2 9224 5550) or sent by email to *companysecretary@academies.edu.au*, before 11.00am on 30 July 2018.

A. Registered Holder Details

Name: _____

Address: _____

Number of Ordinary Shares held: _____

B. Appointment of Proxy

I/We being the Registered Holder stated above and being entitled to attend and vote, hereby appoint:

The Chairman of the Meeting
(Please tick or mark with a cross in the box, if selecting this option)

or

(Name)

(Leave this box blank if you have selected the Chairman of the Meeting to vote on your behalf)

or, in his/her absence, 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 Special Class Meeting of the Company, to be held at 11:00am on 1 August 2018 or at any adjournment of that Meeting.

C. Voting Directions

Should you decide to direct your proxy how to vote, please tick or mark with a cross in the appropriate box against each item below. If you do not, your proxy may vote as he/she thinks fit or abstain.

***Important Note:** If the Chairman of the Meeting is (or becomes) your proxy, you can direct the Chairman of the Meeting to vote for or against or abstain from voting on each resolution by marking the appropriate box. Please note that the Chairman of the Meeting intends to vote undirected proxies in favour of the resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.*

Resolution

For

Against

Abstain

To approve the buy back and cancellation of 4,139,612 shares held by the Affected Shareholder

D. Signature(s)

This section **MUST** be signed to enable your directions to be implemented.

Where the holding is in **one name**, the holder must sign. Where the holding is in **more than one name** all the holders must sign.

To sign under a **Power of Attorney**, you must have already lodged the Power of Attorney with the Company. If you have not previously lodged the Power of Attorney for notation, please attach a certified photocopy of the Power of Attorney to this form when you submit it.

For corporations, a Director must sign jointly with another Director or a Company Secretary. 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 does not have a Company Secretary, a Sole Director can also sign alone.

Please indicate the office held by signing in the appropriate space and crossing out the office that is not applicable.

Signed this _____ day of _____ 2018

Individual or Joint Shareholder(s):

Corporate Shareholders:

Individual / Shareholder 1

Director

Shareholder 2

Director / Company Secretary

Shareholder 3

Sole Director and Sole Company Secretary
