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If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors, whose names appear on page 8 of this document, and the Company accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The distribution of this document and any accompanying documents to jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations. Persons in jurisdictions other than the United Kingdom into whose possession this document and/or any of the accompanying documents comes should inform themselves about and observe such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

**This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of the FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 the FSMA.** Application will be made for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

**This document does not comprise an admission document under the AIM Rules and neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List. The New Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made.** Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is anticipated that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 12 June 2018.

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# Malvern International plc

*(incorporated and registered in England and Wales under number 05174452)*

## Proposed Acquisition of Communicate English School Limited

## Proposed Placing of up to 100,000,000 New Ordinary Shares

and

## Notice of General Meeting

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**Your attention is drawn to the letter from the Chairman of the Company in this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

**Notice of a General Meeting of Malvern plc, to be held at the offices of WH Ireland at 24 Martin Lane, London EC4R 0DR on 11 June 2018 at 11.15 a.m. or as soon thereafter as the AGM convened for 11.00 a.m. on that day has concluded, is set out at the end of this document. To be valid the accompanying Form of Proxy for use in connection with the meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Neville Registrars Limited, by not later than 11.00 a.m. on 9 June 2018. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish. For full details on proxy appointments, see the notes to the Notice of General Meeting and the Form of Proxy.**

WH Ireland, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as nominated adviser and financial adviser to the Company in connection with the matters described in this document and is not acting for any other persons in relation to the Placing. WH Ireland is acting exclusively for the Company and for no one else in relation to the contents of this document and persons receiving this document should note that WH Ireland will not be responsible to anyone other than the Company for providing the protections afforded to clients of WH Ireland or for advising any other person on the arrangements described in this document. WH Ireland has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by WH Ireland for the accuracy of any information or opinions contained in this document or for the omission of any information. The responsibilities of WH Ireland as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated

Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this document, or otherwise.

The Consideration Shares and Placing Shares to be issued will, following their issue, rank *pari passu* with the New Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The Placing Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Placing Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into such jurisdictions. Overseas Shareholders and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

This document may contain statements about Malvern that are or may be “forward-looking statements”. All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, “would”, “could”, “continue”, “potential” or words or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements include matters which are not facts. They appear in a number of places throughout this document and include (without limitation) statements regarding the Directors’ intentions, understanding, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth and strategies. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of Malvern. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules), Malvern does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Malvern or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

|   | <i>2018</i>             |
|---|-------------------------|
| Announcement of the Placing and Acquisition                               | 16 May                  |
| Latest time and date for receipt of Forms of Proxy                        | 11.15 a.m. on 9 June    |
| AGM   | 11.00 a.m. on 11 June   |
| General Meeting   | 11.15 a.m. on 11 June   |
| Sub-division Record Date  | 6.00 p.m. on 11 June    |
| First Admission and commencement of dealings in the Placing Shares        | 8.00 a.m. on 12 June    |
| Placing Shares credited to CREST stock accounts                           | 12 June                 |
| Despatch of definitive share certificates for New Ordinary Shares         | week commencing 18 June |
| Completion of Acquisition   | 2 July                  |
| Second Admission and commencement of dealings in the Consideration Shares | 8.00 a.m. on 3 July     |

*Notes:*

- (i) References to times in this document are to London time (unless otherwise stated).
- (ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to a regulatory information service.
- (iii) The timing of the events in the above timetable and in the rest of this document is indicative only.

## PLACING STATISTICS

|   |                      |
|---|----------------------|
| Closing price per Existing Ordinary Share on 15 May 2018 <sup>1</sup>                     | 5.25 pence           |
| Number of Existing Ordinary Shares in issue   | 114,188,333          |
| Issue Price of each Placing Share   | 4 pence              |
| Discount to market price of 5.25 pence per Existing Ordinary Share <sup>1</sup>           | 23.8 per cent.       |
| Number of Consideration Shares to be issued pursuant to the Acquisition                   | 13,800,000           |
| Number of Placing Shares to be issued pursuant to the Placing                             | up to 100,000,000    |
| Expected proceeds of the Placing (before expenses)  | £4.0 million         |
| Estimated net proceeds of the Placing <sup>2</sup>  | up to £3.725 million |
| Enlarged Share Capital following Admission <sup>2</sup>                                   | 227,988,333          |
| Percentage of Enlarged Share Capital represented by the Consideration Shares <sup>2</sup> | 6.1 per cent.        |
| Percentage of Enlarged Share Capital represented by the Placing Shares <sup>2</sup>       | 43.9 per cent.       |

*Notes:*

1. Based on the Closing Price on 15 May 2018, being the last practicable date prior to the announcement of the Acquisition and Placing.
2. Assuming full take up under the Placing.

## DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context requires otherwise or unless it is otherwise specifically provided:

|                                    |   |
|------------------------------------|---|
| <b>“£” or “UK pounds sterling”</b> | the lawful currency of the United Kingdom   |
| <b>“Acquisition”</b>               | the acquisition by the Company of the entire issued share capital of Communicate pursuant to the Acquisition Agreement  |
| <b>“Acquisition Agreement”</b>     | the sale and purchase agreement, the terms of which are summarised in paragraph 4 of the Letter from the Chairman   |
| <b>“AGM”</b>                       | the annual general meeting of the Company to be held at the offices of WH Ireland, 24 Martin Lane, London EC4R 0DR on 11 June at 11.00 a.m.   |
| <b>“AIM”</b>                       | AIM, the market of that name operated by the London Stock Exchange  |
| <b>“AIM Rules”</b>                 | the rules and guidance for companies whose shares are admitted to trading on AIM entitled “AIM Rules for Companies” published by the London Stock Exchange as amended from time to time   |
| <b>“Articles”</b>                  | the articles of association of the Company at the date of this document   |
| <b>“Board”</b>                     | the board of directors of the Company   |
| <b>“Cash Consideration”</b>        | the cash element of the Consideration payable by the Company to the Sellers pursuant to the Acquisition Agreement, being £1.65 million as adjusted pursuant to the terms of the Acquisition Agreement                                     |
| <b>“Communicate”</b>               | Communicate English School Limited, a private limited company incorporated in England and Wales with registered number 08565447 and with its registered office at 7 St. Petersgate, Stockport, Cheshire SK1 1EB                           |
| <b>“Companies Act” or “Act”</b>    | the Companies Act 2006 (as amended)   |
| <b>“Company” or “Malvern”</b>      | Malvern International plc, a public limited company incorporated in England and Wales with registered number 05174452 and with its registered office at Witan Gate House, 500-600 Witan Gate West, Milton Keynes, Buckinghamshire MK9 1SH |
| <b>“Completion”</b>                | completion of the Acquisition in accordance with the Acquisition Agreement  |
| <b>“Consideration”</b>             | the Cash Consideration and the Consideration Shares   |
| <b>“Consideration Shares”</b>      | the 13,800,000 New Ordinary Shares to be allotted and issued to the Sellers pursuant to the Acquisition Agreement   |
| <b>“CREST”</b>                     | the electronic system for the holding and transferring of shares and other securities in paperless form operated by Euroclear UK & Ireland Limited  |

|   |  |
|---|--|
| <b>“CREST Manual”</b>   | the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterpart Service Manual, the CREST Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms (as updated from time to time) |
| <b>“Deferred Shares”</b>  | the deferred shares of 1 pence each in the capital of the Company arising from the Sub-division  |
| <b>“Directors”</b>  | the directors of the Company, whose names are set out on page eight and <b>“Director”</b> shall mean any one of them   |
| <b>“Disclosure Guidance and Transparency Rules”</b>                           | the disclosure guidance and transparency rules issued by the FCA acting in its capacity as the competent authority pursuant to Part VI of FSMA   |
| <b>“Enlarged Group”</b>   | the Company and its subsidiaries and, subject to Completion, Communicate   |
| <b>“Enlarged Share Capital”</b>   | the issued share capital of the Company immediately following Admission  |
| <b>“Existing Issued Ordinary Share Capital” or “Existing Ordinary Shares”</b> | the Ordinary Shares in issue at the date of this document, being 114,188,133 Ordinary Shares   |
| <b>“FCA”</b>  | the Financial Conduct Authority  |
| <b>“First Admission”</b>  | admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules  |
| <b>“Form of Proxy”</b>  | the form of proxy accompanying this document for use in connection with the General Meeting  |
| <b>“FMSA”</b>   | the Financial Services and Markets Act 2000 (as amended)   |
| <b>“General Meeting”</b>  | the general meeting of the Company to be held at the offices of WH Ireland at 24 Martin Lane, London EC4R 0DR on 11 June 2018 at 11.15 a.m. or as soon thereafter as the AGM convened for 11.00 a.m. on that day has concluded, notice of such meeting which is set out at the end of this document                                  |
| <b>“HMRC”</b>   | Her Majesty’s Revenue & Customs  |
| <b>“Group”</b>  | the Company and its subsidiaries   |
| <b>“Issue Price”</b>  | 4 pence per New Ordinary Share issued pursuant to the Placing  |
| <b>“London Stock Exchange”</b>  | London Stock Exchange plc  |
| <b>“Market Abuse Regulation”</b>  | Market Abuse Regulation ( <i>Regulation 596/2014</i> ), which repealed and replaced the Market Abuse Directive ( <i>2003/6/EC</i> ) and its implementing legislation with effect from 3 July 2016  |
| <b>“Money Laundering Regulations”</b>   | the Money Laundering Regulations 2007 (as amended and supplemented from time to time)  |
| <b>“Net Proceeds”</b>   | the proceeds of the Placing less costs incurred  |

|   |   |
|---|---|
| <b>“Neville Registrars” or “Registrars”</b> | Neville Registrars Limited, a company incorporated in England and Wales with registered number 04770411 and with its registered office at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA   |
| <b>“New Articles”</b>                       | the new articles of association of the Company proposed to be adopted pursuant to Resolution 4  |
| <b>“New Ordinary Shares”</b>                | the new ordinary shares of one pence each arising from the Sub-division   |
| <b>“Notice of General Meeting”</b>          | the notice convening the General Meeting, set out at the end of this document   |
| <b>“Official List”</b>                      | The Official List of the UKLA   |
| <b>“Ordinary Shares”</b>                    | the ordinary shares of £0.05 each in the capital of the Company   |
| <b>“Placing”</b>                            | the placing by WH Ireland on behalf of the Company of the Placing Shares at the Issue Price pursuant to the terms of the Placing Agreement and conditional upon, <i>inter alia</i> , the passing of Resolutions 1, 2 and 3 at the General Meeting and Admission |
| <b>“Placing Agreement”</b>                  | the agreement dated 16 May 2018 between (1) the Company and (2) WH Ireland relating to the Placing  |
| <b>“Placing Shares”</b>                     | up to 100,000,000 New Ordinary Shares to be issued by the Company pursuant to the Placing at the Issue Price  |
| <b>“Resolutions”</b>                        | the resolutions to be proposed at the General Meeting, each a “Resolution”, as described in paragraph 7 ( <i>General Meeting and Resolutions</i> ) of the Letter from the Chairman  |
| <b>“Second Admission”</b>                   | admission of the Consideration Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules   |
| <b>“Sellers”</b>                            | Mr Richard Christopher Mace and Mrs Marzena Mace  |
| <b>“Shareholders”</b>                       | holders of Existing Ordinary Shares, each individually being a <b>“Shareholder”</b>   |
| <b>“Sub-division”</b>                       | the proposed sub-division of each Existing Ordinary Share into one New Ordinary Share and four Deferred Shares  |
| <b>“Sub-division Record Date”</b>           | the record date for the Sub-division being 6.00 p.m. on 11 June 2018  |
| <b>“Takeover Code”</b>                      | means the City Code on Takeovers and Mergers (as amended)   |
| <b>“UKLA”</b>                               | the FCA acting in the capacity of competent authority for the purposes of Part IV of FSMA   |
| <b>“United Kingdom” or “UK”</b>             | the United Kingdom of Great Britain and Northern Ireland  |
| <b>“WH Ireland”</b>                         | WH Ireland Limited, a company incorporated in England and Wales with registered number 02002044 and with its registered office at 24 Martin Lane, London EC4R 0DR   |

## LETTER FROM THE CHAIRMAN OF

# Malvern International plc

(incorporated and registered in England and Wales under number 05174452)

### Directors:

|                   |                                |
|-------------------|--------------------------------|
| Gopinath Pillai   | <i>Chairman</i>                |
| Haider Sithawalla | <i>Deputy Chairman</i>         |
| Dr Sam Malafeh    | <i>Chief Executive Officer</i> |
| Ramasamy Jayapal  | <i>Non-executive Director</i>  |
| Sabin Joshi       | <i>Non-executive Director</i>  |
| Navin Khattar     | <i>Non-executive Director</i>  |
| Nadir Zafar       | <i>Non-executive Director</i>  |
| Wee Hock Kee      | <i>Non-executive Director</i>  |

### Registered Office:

Witan Gate House  
500-600 Witan Gate West  
Milton Keynes  
Buckinghamshire  
MK9 1SH

17 May 2018

Dear Shareholder

## **Proposed Acquisition of Communicate English School Limited Proposed Placing of up to 100,000,000 New Ordinary Shares and Notice of General Meeting**

### **1. Introduction**

The Company announced on 16 May 2018 that it had exchanged a conditional agreement to acquire the entire issued share capital of Communicate English School Limited for a consideration of £2.34 million, subject to adjustments for surplus cash on Completion. The consideration is to be satisfied on Completion as to £1.65 million in cash and £0.69 million by the issue of 13,800,000 New Ordinary Shares at a price of five pence each.

In order to meet the cash element of the Consideration and to provide additional funding for the Enlarged Group, the Company has also announced a conditional placing of up to 100,000,000 New Ordinary Shares to raise a total of up to £4.0 million (before expenses).

The Issue Price of four pence per Placing Share represents a discount of 23.8 per cent. against the mid-market price of 5.25 pence per share at which the Ordinary Shares were quoted on AIM as at close of trading on 15 May 2018, the last trading day prior to announcement of the Acquisition and Placing. The Placing is conditional, amongst other matters, upon the passing of certain Resolutions in order to ensure that the Directors have the necessary authorities and powers to allot the New Ordinary Shares.

The Acquisition is conditional, *inter alia*, on the passing of the Resolutions to authorise the Directors to issue the Consideration Shares and the Placing Shares. In addition, because the Issue Price of the Placing Shares is below the nominal value of the Existing Ordinary Shares their issue is conditional on the Sub-division being approved by Shareholders.

The purpose of this document is to set out the background to and reasons for the Acquisition, the Placing and Sub-division and to explain why the Directors believe that the Acquisition, the Placing and the Sub-division are in the best interests of the Company and Shareholders as a whole and to recommend that Shareholders vote in favour of all of the Resolutions at the General Meeting. The Directors intend to vote in favour of the Resolutions in respect of their beneficial holding of Ordinary Shares. The notice of General Meeting is set out at the end of this document.

### **2. Background to and reasons for the Acquisition, the Placing and the Sub-division**

The Board's stated strategic plan is to further develop and grow the Malvern business through a combination of organic growth and selective acquisitions. In terms of acquisitions the Board's intention is to supplement its existing geographic areas of operations in the UK, Singapore and Malaysia before it considers moving

into new territories. The first such acquisition was completed in November 2017 when the Group completed the acquisition of SAA Global Education in Singapore. The proposed acquisition of Communicate is consistent with this strategy and will supplement the Group's existing UK operations.

The Directors are of the opinion that the Acquisition will be earnings accretive. In addition, they believe that the Acquisition is in the best interests of the Company and its Shareholders for the following reasons:

- Communicate is well established and has a good track record for quality and growth;
- its revenues and profits have increased in each of the last four years;
- being based in Manchester it will complement the Group's existing London school and provide an alternative location for potential Malvern students; and
- Communicate will benefit from Malvern's international marketing and agency network.

The cash consideration of £1.65 million payable on Completion will be satisfied entirely from the net proceeds of the Placing. The Sellers will remain in the Communicate business following Completion. Therefore the Consideration Shares, which represent approximately 29.5 per cent. of the Consideration will ensure that interests of the Sellers are aligned with those of the Company and its Shareholders.

The Issue Price of the Placing Shares is below the nominal value of the Existing Ordinary Shares. The Act prohibits companies from issuing new shares at less than the nominal value. Therefore in order for the Placing Shares to be issued and the Acquisition to be completed, a sub-division of the Existing Ordinary Shares is required. Details of the Sub-division are set out in paragraph 5 below.

### **3. Information on Communicate**

Communicate is a private company owned by Mr Richard Mace and Mrs Marzena Mace. Communicate operates the Communicate School of English based in Manchester. The school was founded in 2013 and in 2017 taught over 1,000 students. The school is established, growing and British Council accredited.

For the year ended 30 June 2017, Communicate reported unaudited revenues of £1.0 million and profit before tax of £0.41 million. As at 31 December 2017 Communicate had net assets of £0.40 million.

### **4. Principal terms and conditions of the Acquisition**

On 16 May 2018, the Company entered into the Acquisition Agreement with the Sellers pursuant to which the Company has conditionally agreed to acquire the entire issued share capital of Communicate.

The Consideration for the Acquisition is £2.34 million, which will be satisfied on Completion by the payment of £1.65 million in cash and £0.69 million through the issue of 13,800,000 New Ordinary Shares at a price of five pence per share, to the Sellers in each case *pro rata* to their shareholdings in Communicate.

The Cash Consideration is subject to customary working capital and cash adjustments following Completion.

Completion of the Acquisition Agreement is conditional, amongst other things, on the passing of the Resolutions at the General Meeting. Completion of the Acquisition is expected to take place on 2 July 2018. Second Admission of the Consideration Shares is expected to take place at 8.00 a.m. on 3 July 2018.

The Sellers have given certain customary warranties and indemnities pursuant to the Acquisition Agreement.

### **5. Details of the Sub-division**

Under the Act a company is unable to issue shares at a subscription price which is less than their nominal value. The par value of each Existing Ordinary Share is five pence, and the Issue Price for the Placing Shares is four pence per share. Therefore in order to proceed with the Placing, the Company is proposing to undertake the Sub-division so that the par value of the Ordinary Shares is reduced to below the Issue Price. The proposal would, if passed, involve sub-dividing each issued Existing Ordinary Share into one New Ordinary Share of one pence and four Deferred Shares of one pence each.

The percentage and number of New Ordinary Shares held by each Shareholder immediately following the Sub-division will be the same as the percentage and number of Existing Ordinary Shares held by them on the Sub-division Record Date.

**Save for the dilution which will result from the issue of the Consideration Shares and Placing Shares, the interests of existing Shareholders (both in terms of their economic interest and voting rights) will not be diluted by the implementation of the Sub-division and each New Ordinary Share will have the same rights (including voting and dividend rights) as each Existing Ordinary Share has at present.**

In order to effect the Sub-division, the Company proposes to adopt the New Articles which will consist of the Articles amended to include reference to the new Deferred Shares. The new Deferred Shares created as a result of the Sub-Division will have the same rights as the existing deferred shares of five pence each in the capital of the Company. These rights are minimal, thereby rendering the Deferred Shares effectively valueless.

The rights attaching to the new Deferred Shares can be summarised as follows:

- they will not entitle holders to receive any dividend or other distribution or to receive notice or speak or vote at general meetings of the Company;
- they will have no rights to participate in a return of assets on a winding up;
- they will not be freely transferable;
- the creation and issue of further shares will rank equally or in priority to the Deferred Shares;
- the passing of a resolution of the Company to cancel the Deferred Shares or to effect a reduction of capital shall not constitute a modification or abrogation of their rights; and
- the Company shall have the right at any time to purchase all of the Deferred Shares in issue for an aggregate consideration of £0.01.

Existing share certificates will continue to be valid following the Sub-division. No certificates will be issued in respect of the Deferred Shares, nor will CREST accounts of Shareholders be credited in respect of any entitlement to the Deferred Shares. No application will be made for the Deferred Shares to be admitted to trading on AIM or any other investment exchange.

There are no immediate plans to purchase or to cancel the Deferred Shares, although the Directors propose to keep the situation under review.

A copy of the New Articles proposed to be adopted by Resolution 4 will be available for inspection at the General Meeting and will be made available free of charge on the Company's website at [www.malverninternational.com](http://www.malverninternational.com).

## **6. Details of the Placing**

Subject to the satisfaction of the conditions under the Placing, *inter alia*, the passing of the Resolutions, the Company will place a total of up to 100,000,000 New Ordinary Shares raising in aggregate approximately £4.0 million (before expenses). The Placing Shares have been conditionally placed by WH Ireland, as agent for the Company with institutional and other investors. The Placing Shares will be allotted at the Issue Price. The Issue Price of four pence per Placing Share represents a discount of 23.8 per cent. against the mid-market price of 5.25 pence per share at which the Ordinary Shares were quoted on AIM as at close of trading on 14 May 2018, the last trading day prior to announcement of the Placing.

The Placing is conditional upon, *inter alia*, the Acquisition Agreement becoming unconditional in all respects (save for any condition relating to the Placing Agreement becoming unconditional) and Admission occurring no later than 8.00 a.m. on 12 June 2018 (or such later date as the Company and WH Ireland shall agree, being no later than 6 July 2018).

CG Corp and KSP Investments Pte Limited ("**KSP**"), the Company's two largest shareholders and each of whom is represented on the Board, together intend to subscribe for up to 12,500,000 Placing Shares (a total of £0.5 million at the Issue Price), as part of the Placing. In addition, Ramasamy Jayapal, a

non-executive Director, intends to subscribe for up to 500,000 Placing Shares. These intentions are not legally binding and any subscription by CG Corp and/or KSP and Mr Jayapal pursuant to the Placing will be announced through a Regulatory Information Service.

As at 31 December 2017 the Company had outstanding loans of approximately £836,000 with CG Corp and KSP. These loans are interest free and have no fixed repayment dates. The Company's intention is that these loans are repaid in 2018 and 2019.

### **Settlement and dealings**

In due course application will be made for the Consideration Shares and the Placing Shares to be admitted to trading on AIM and, on the assumption that, *inter alia*, the Resolutions are passed. Admission of the Placing Shares is expected to become effective and that dealings will commence at 8.00 a.m. on 12 June 2018.

Admission of the Consideration Shares is expected to become effective and that dealings will commence at 8.00 a.m. on 3 July 2018.

The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared on or after the date on which they are issued. It is expected that CREST accounts will be credited with entitlements to the Placing Shares as soon as practicable after 8.00 a.m. on the day of First Admission and that share certificates (where applicable) will be despatched in the week commencing 18 June 2018.

**If you are in any doubt as to what action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

### **7. Use of proceeds**

The net proceeds of the Placing are expected to be approximately £3.725 million, assuming full subscription under the Placing. These proceeds will be applied in satisfying the Cash Consideration of £1.65 million. The balance of the proceeds will be used to support the future growth of the business.

### **8. Current trading and prospects**

Malvern's last reported results were the final results for the year ended 31 December 2017. These results reported revenues of £4.1 million and a loss after tax of £0.7 million, significantly below the losses of £1.5 million reported for 2016.

Trading in the current year has commenced well, with sales to date plus sales already booked for delivery in the remainder of the year standing at £3.95 million which is approximately 92 per cent. of the sales turnover for the whole of 2017.

Trading momentum in London is being maintained with a strong level of bookings at the school. In addition in April 2017 the Company announced a partnership agreement with the University of East London ("**UEL**") which will see Malvern established as an embedded college within UEL, delivering pre-sessional foundation and English language courses for international students at both Degree and Masters levels. While the impact for this on the current financial year will be modest, the potential for next year is more significant and the long term potential of this and other similar ventures is exciting.

Trading in Singapore will benefit from a first full year of revenue from SAA Global Education ("**SAA-GE**"). The integration of SAA-GE into the Group has gone smoothly following its acquisition in November 2017. Operations in Singapore have now been consolidated onto one site and the Board estimates that the property, staff and other costs savings that have been implemented since SAA-GE's acquisition should result in annualised costs savings of at least £100,000.

In Malaysia a licence to teach international students for vocational training has been awarded to Malvern for the first time. This, together with the significant management and operational changes made last year, gives the Board confidence that the overall performance in Malaysia will improve on last year.

The Board is now confident that, with the Group strategically aligned, focused and directed, the impact on the performance of the Group will be positive going forward and that this will bring the Group to profitability in 2018.

## **9. General Meeting**

You will find set out at the end of this document a notice convening the General Meeting to be held at the offices of WH Ireland at 24 Martin Lane, London EC4R 0DR on 11 June 2018 at 11.15 a.m. or as soon thereafter as the AGM convened for 11.00 a.m. on that day has concluded, at which the following resolutions will be proposed as ordinary or special resolutions as indicated below:

### **Resolution 1**

Ordinary resolution to divide each Existing Ordinary Share in issue into one New Ordinary Share and four Deferred Shares.

### **Resolution 2**

Ordinary resolution to grant the Directors authority pursuant to section 551 of the Act to allot New Ordinary Shares up to a nominal value of £1,890,361, representing the Placing Shares and the Consideration Shares plus up to an amount equivalent to approximately one third of the Enlarged Share Capital.

### **Resolution 3**

Special resolution to disapply pre-emption rights pursuant to section 570 of the Act. This resolution allows the Directors to allot shares on a non pre-emptive basis, limited to:

- (a) the issue and allotment of the Placing Shares;
- (b) the issue and allotment of the Consideration Shares;
- (c) allotments pursuant to offers of shares to existing Shareholders in proportion to their existing holdings subject only to exclusions to deal with fractional entitlements and legal or practical problems in connection with overseas territories;
- (d) the allotment of equity securities pursuant to the terms of any share schemes for Directors and employees of the Company or any of its subsidiaries; and
- (e) a nominal value of £227,998 representing approximately 10 per cent. of the Enlarged Share Capital.

### **Resolution 4**

Special resolution to approve the adoption of the New Articles containing the rights of the Deferred Shares.

Resolutions 1 and 2 will be proposed as ordinary resolutions and require a majority of not less than 50 per cent. of the Shareholders voting in person or by proxy in favour of each resolution. Resolutions 3 and 4 will be proposed as special resolutions and require a majority of not less than 75 per cent. of the Shareholders voting in person or by proxy in favour of each resolution.

Under the Act, directors of companies may not allot shares unless authorised to do so by the shareholders in general meeting. Furthermore, a company proposing to allot shares for cash may not do so before first offering them *pro rata* to existing shareholders, subject to certain exceptions. It is therefore necessary for the Directors to seek Shareholder approval at the General Meeting for authority to allot shares, subject to certain limits and within a specified period of time.

Passing the Resolutions will provide the Directors, subject to the limits specified in the Resolutions, with sufficient authority to allot New Ordinary Shares in respect of the Placing and the Acquisition and generally up to a further one-third of the Enlarged Share Capital.

## **10. Action to be taken in respect of the General Meeting**

Enclosed with this document is a Form of Proxy for use at the General Meeting. The Notice of General Meeting is set out at the end of this document and a description of the Resolutions proposed at the General Meeting is set out at paragraph 9 (*General Meeting and Resolutions*) above. Whether or not Shareholders intend to be present at the General Meeting, all Shareholders are recommended to complete, sign and return the Form of Proxy to the Registrars so as to be received as soon as possible and, in any event, not later than 11.15 a.m. on 9 June 2018. Shareholders who complete and return the Form of Proxy may still attend and vote at the General Meeting should they wish to do so. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment thereof) by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

Further details for Shareholders on how to vote can be found in the Notice of General Meeting and the Form of Proxy.

## **11. Recommendation**

The Directors believe the Sub-division, the Placing and the Acquisition to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they intend so to do in respect of their beneficial shareholdings.

Yours faithfully

Gopinath Pillai  
*Chairman*

## NOTICE OF GENERAL MEETING

# Malvern International plc

*(incorporated and registered in England and Wales under number 05174452)*

NOTICE is hereby given that a General Meeting of Malvern International plc (the “**Company**”) will be held at the offices of WH Ireland at 24 Martin Lane, London EC4R 0DR, UK on 11 June 2018 at 11.15 a.m., or as soon thereafter as the AGM convened for 11.00 a.m. on that day has concluded, to consider and, if thought fit, pass the following Resolutions, of which Resolutions numbered 1 and 2 will be proposed as Ordinary Resolutions and Resolutions numbered 3 and 4 will be proposed as Special Resolutions. All terms are consistent with those defined in the circular issued by the Company dated 17 May 2018 in which this Notice of General Meeting is contained (the “**Circular**”).

### ORDINARY RESOLUTIONS

1. **That**, subject to and conditional on the passing of Resolutions 2, 3 and 4 below, each ordinary share of 5p in the capital of the Company be sub-divided and reclassified into 1 ordinary share of 1p and 4 deferred shares of 1p each in the capital of the Company, such deferred shares having the rights and being subject to the obligations set out in the articles of association of the Company to be adopted pursuant to Resolution 4 below.
2. **That**, subject to passing of Resolution 1 above, in substitution for all existing and unexercised authorities and powers, the directors of the Company be and they are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “**Relevant Securities**”) up to an aggregate nominal amount of £1,890,361 (representing the Placing Shares and the Consideration Shares plus an amount equal to approximately one third of the Enlarged Share Capital) to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company). That authority shall expire at the conclusion of the next annual general meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

### SPECIAL RESOLUTIONS

3. **That**, subject to and conditional upon the passing of Resolution 2 and in substitution for all existing and unexercised authorities and powers, the directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by Resolution 2 as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:
  - (i) the issue and allotment of the Placing Shares;
  - (ii) the issue and allotment of the Consideration Shares;
  - (iii) the allotment of equity securities in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory;
  - (iv) the allotment of equity securities pursuant to the terms of any share schemes for directors and employees of the Company or any of its subsidiaries; and

- (v) the allotment (otherwise than pursuant to sub-paragraphs (i) to (iv) above) of equity securities up to an aggregate nominal amount of £227,998 representing approximately 10 per cent. of the Enlarged Share Capital,

and shall expire at the conclusion of the next annual general meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities or equity securities (as the case may be) to be allotted after the expiry of such period and the directors of the Company may allot Relevant Securities or equity securities (as the case may be) in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

4. **That**, subject to passing Resolution 1 above, the articles of association contained in the document to be produced to the meeting marked 'A' be adopted as the articles of association of the Company to the exclusion of, and in substitution for, the existing articles of association of the Company and (for the avoidance of doubt) to the exclusion of, and in substitution for, the relevant provisions of the memorandum of association that would otherwise be treated as provisions of the articles of association under section 28 of the Act.

By Order of the Board

Gopinath Pillai  
*Chairman*

Dated 17 May 2018

Malvern International plc  
Witan Gate House  
500-600 Witan Gate West  
Milton Keynes  
Buckinghamshire  
MK9 1SH

Notes:

#### **Entitlement to attend and vote**

1. Only those members registered on the Company's register of members at 6.00 p.m. on 8 June 2018 or, if this General Meeting (the "Meeting") is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

#### **Website giving information regarding the Meeting**

2. Information regarding the Meeting is available from [www.malverninternational.com](http://www.malverninternational.com)

#### **Attending in person**

3. If you wish to attend the Meeting in person, you will need to bring with you a form of formal identification which includes your photograph, such as a passport or a picture driving licence.

#### **Appointment of proxies**

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a Form of Proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
5. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please complete and return the enclosed Form of Proxy and return it to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA in accordance with the instructions thereon.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

#### **Appointment of proxy using hard copy Form of Proxy**

8. The notes to the Form of Proxy explain how to direct your proxy to vote on each Resolution or withhold their vote.

To appoint a proxy using the Form of Proxy, the form must be:

- completed and signed;
- sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B62 3DA in accordance with the instructions thereon; and
- received by Neville Registrars (at the above address) no later than 11.15 a.m. on 9 June 2018.

In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

#### **Appointment of proxy by joint members**

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

#### **Changing proxy instructions**

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact Neville Registrars on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131. Calls to Neville Registrars help line number are charged at your standard provider's rates.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **Termination of proxy appointments**

11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other

authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Neville Registrars no later than 11.15 a.m. on 9 June 2018.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

#### **Corporate representatives**

12. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

#### **Issued shares and total voting rights**

13. As at 6.00 p.m. on 15 May 2018, the Company's issued share capital comprised 114,188,333 ordinary shares of 5 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 15 May 2018 is 114,188,333.

#### **Questions at the Meeting**

14. The Company will answer any question you ask relating to the business being dealt with at the Meeting unless:
  - (a) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
  - (b) the answer has already been given on a website in the form of an answer to a question; or
  - (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

#### **Voting**

15. Voting on all Resolutions will be conducted by way of a poll rather than on a show of hands so that the votes of all Shareholders attending in person or by proxy are properly taken into account.

#### **Documents on display**

16. The following documents will be available for inspection at the offices of the Company, Malvern International plc, Witan Gate House, 500-600 Witan Gate West, Milton Keynes, Buckinghamshire MK9 1SH, UK, from the date of this notice until the time of the Meeting and, at the Meeting, for at least 15 minutes prior to the Meeting until the end of the Meeting:
  - (a) Copies of the service contracts of executive directors of the Company.
  - (b) Copies of the letters of appointment of the non-executive directors of the Company.
  - (c) A copy of the Circular.
  - (d) A copy of the New Articles.

#### **Communication**

17. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
  - (a) in writing to the Company Secretary, Malvern International plc, Witan Gate House, 500-600 Witan Gate West, Milton Keynes, Buckinghamshire MK9 1SH, UK;
  - (b) by email to any electronic address provided either in this notice of general meeting or any related documents (including the chairman's letter and proxy form),

to communicate with the Company for any purposes other than those expressly stated.

