

# **Artist & Entertainment Group Limited**

*(Proposed name change pending)*

**ACN 097 771 581**

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM**

Notice of The Annual General Meeting to be held at  
Level 2, 131 Macquarie Street, Sydney, NSW 2000  
on Wednesday , 28 November 2012 at 3:00 PM

## Chairman's Letter

22 October 2012

Dear Shareholder

The Directors of Artist & Entertainment Group Limited (**Company**) have convened the Annual General Meeting of Shareholders to be held on 28 November 2012 to:

- table the financial statements and reports of the Company for the financial year ended 30 June 2012;
- vote on the re-election of Directors; and
- obtain the approval of Shareholders for the issue of Shares to Converting Noteholders.

This letter is accompanied by a Notice of Annual General Meeting and the Explanatory Memorandum. The Notice of Annual General Meeting sets out the Resolutions that Shareholders are to consider. The Explanatory Memorandum explains in greater detail the background to the proposed Resolutions.

Shareholders are encouraged to read the enclosed Explanatory Memorandum and to attend the Annual General Meeting and vote on the Resolutions. A proxy form is enclosed to enable any Shareholder who is unable to attend the Annual General Meeting to vote at that meeting.

The Directors support the Resolutions contained in the Notice of Annual General Meeting. We recommend that you vote in favour of all Resolutions, full details of which are contained in the Notice of Annual General Meeting.

Yours faithfully



Ross Hill  
Chairman

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Artist & Entertainment Group Limited ACN 097 771 581 (**AEM** or the **Company**) will be held at Level 2, 131 Macquarie Street, Sydney on 28 November 2012 at 3.00pm (Sydney time).

## Ordinary Business

### 1. Financial Reports

To receive and consider the Financial Reports of the Company including the balance sheet and profit and loss account and statements of cash flows of the Company, the consolidated financial statement, the directors' declaration and the reports of the directors and auditors for the financial year ended 30 June 2012.

### 2. Resolution 1: Adoption of the Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following Resolution:

"That the Remuneration Report for the year ended 30 June 2012 included in the Directors' Report, which is attached to the Financial Statements as required under section 300A of the Corporations Act, be adopted by the Company."

**Note:** The Remuneration Report is set out on pages 9 and 10 of the Financial Statements contained in the 2012 Annual Report. In accordance with section 250R(3) of the Corporations Act, the votes cast in respect of this Resolution are advisory only and do not bind the Company.

### 3. Resolution 2: Re-election of David Hickie

To consider and, if thought fit, to pass, with or without amendment, the following Resolution:

"That David Hickie, having retired from his office as a Director in accordance with Rule 7.1(d) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director."

### 4. Resolution 3: Re-election of Siew Hong Koh

To consider and, if thought fit, to pass, with or without amendment, the following Resolution:

"That Siew Hong Koh, having retired from his office as a Director in accordance with Rule 7.1(f) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director."

## Special Business

### 5. Resolution 4: Issue of Shares to Converting Noteholders (*Rule 7.1*)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution:

"That, in accordance with ASX Listing Rule 7.1, the Company be permitted and authorised to issue up to 63,083,333 Shares to Converting Noteholders in consideration for the conversion of 63,083,333 Converting Notes held by the Noteholders, on the terms more fully described in paragraph 6 of the Explanatory Memorandum."

**6. Other Business**

To transact any other business which, in accordance with the Company's Constitution and the Corporations Act, may be brought before an Annual General Meeting.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'G Kavanagh', written in a cursive style.

Graham Kavanagh  
Joint Company Secretary

*This Notice of Meeting is accompanied by an Explanatory Memorandum to shareholders which explains the purpose of the Meeting and the resolutions to be considered at the Meeting.*

# Explanatory Memorandum

## 1. Introduction

This Explanatory Memorandum contains the information needed for AEM's Shareholders to assess the merits of the Resolutions put to them at the Annual General Meeting of AEM on 28 November 2012. A Notice of Annual General Meeting accompanies this document.

This Explanatory Memorandum, as well as the Notice of Annual General Meeting, should be read carefully and in their entirety.

## 2. Accounts and reports

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30-June-2012 will be laid before the meeting. There is no requirement for Shareholders to approve those reports. Shareholders will be given an opportunity to raise questions with the Directors and the Company's auditor in relation to the Accounts at the Annual General Meeting.

## 3. Resolution 1 – Adoption of Remuneration Report

Resolution 1 is proposed for the adoption of the Remuneration Report contained in the Directors' Report referred to in the first item of the agenda set out in the Notice. Under the Corporations Act, the Company is required to present its Remuneration Report to Shareholders for adoption at its Annual General Meeting. The Remuneration Report of the Company for the financial year ended 30-June 2012 is set out in the Directors' Report on pages 9 and 10 of the Financial Statements contained in the 2012 Annual Report.

The Annual Report may be accessed via the ASX company announcements platform using the ASX code: AEM. A copy may also be obtained by contacting the Company Secretary on (02) 9258 9988. Shareholders will be given ample opportunity to raise questions of the Directors on the Remuneration Report prior to the Resolution being put to Shareholders. The Resolution to adopt the Remuneration Report is a non-binding Resolution on the Company and its Directors.

## 4. Resolution 2 – Re-election of David Hickie

Resolution 2 relates to the re-election of David Hickie as a Director of the Company. Under Rule 7.1(d) of the Constitution, a director appointed to fill a casual vacancy must resign and, if eligible, may be re-elected.

David Hickie has vacated his office as Director in accordance with Rule 7.1(d) and, being eligible, offers himself for re-election. The Board recommends that Shareholders vote in favour of this Resolution.

## 5. Resolution 3 – Re-election of Siew Hong Koh

Resolution 3 relates to the re-election of Siew Hong Koh as a Director of the Company. Under Rule 7.1(f) of the Constitution, one-third of the Company's Directors must resign and, if eligible, may be re-elected.

Siew Hong Koh has vacated his office as Director in accordance with Rule 7.1(f) and, being eligible, offers himself for re-election. The Board recommends that Shareholders vote in favour of this Resolution.

## 6. Resolution 4 - Issue of Shares to Converting Noteholders

The Company raised \$757,000 for the purpose of providing additional working capital during the period from December 2011 to September 2012 by way of the issue of 63,083,333 Converting Notes to the following Converting Noteholders.

<b>Noteholder</b>	<b>Subscription Amount (\$)</b>	<b>Number of Converting Notes</b>
Perfection International Group Pty Ltd	10,000	833,333
Solomon Medical Research Korea	20,000	1,666,667
Tech Hong Ko	20,000	1,666,667
Suburban Holdings Pty Ltd <The Suburban Superannuation Fund>	60,000	5,000,000
Vibrant Link Sdn Bhd	647,000	53,916,667

The Company is seeking the approval of Shareholders pursuant to ASX Listing Rule 7.1 for the issue of 63,083,333 Shares to the Noteholders on conversion of the 63,083,333 Converting Notes held.

### **ASX Listing Rule 7.3 requirements**

Pursuant to ASX Listing Rule 7.3, the following information is provided regarding ASX Listing Rule 7.1 approval:

(a) **ASX Listing Rule 7.3.1:** *Maximum number of securities to be issued pursuant to Resolution 4*  
63,083,333 Shares.

(b) **ASX Listing Rules 7.3.2 and 7.3.7:** *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of the Shares to the Converting Noteholders will occur on a date which is two Business Days after the date of this General Meeting, but in any case no later than three months after the date of this General Meeting or such later time as deemed appropriate by an ASX waiver.

(c) **ASX Listing Rule 7.3.3:** *Issue price of securities*

\$0.012 per Share.

(d) **ASX Listing Rule 7.3.4:** *Names of allottees*

Perfection International Group Pty Ltd  
Solomon Medical Research Korea  
Teck Hong Ko  
Suburban Holdings Pty Ltd <ATF The Suburban Superannuation Fund>  
Vibrant Link Sdn Bhd

The allottees are retail and sophisticated investors. The investors are not related parties of the Company.

(e) **ASX Listing Rule 7.3.5:** *Terms of securities*

(i) Each Converting Note has a face value of \$0.012.

(ii) The Converting Notes are unsecured.

(iii) The conversion price of the Converting Notes is \$0.012.

(iv) Subject to the expiry of the Converting Notes at an earlier date, the Converting Notes shall expire on 30 December 2013 (**Expiry Date**).

(v) Each Converting Note converts into one Share on the date that Shareholder approval is obtained at the Annual General Meeting.

(vi) If Shareholder approval is not obtained at the Annual General Meeting:

(A) the principal amount in respect of each Converting Note must be repaid by the Company to the Converting Noteholders on the Expiry Date;

(B) interest will accrue on the Converting Notes at the rate of 5% per annum from the date of issue of the Converting Notes up to the Expiry Date; and

(C) all outstanding interest on the Converting Notes must be paid by the Company to the Converting Noteholders on the Expiry Date.

- (vii) Any Shares in the Company that are issued and allotted pursuant to the conversion of the Converting Notes rank *pari passu* in all respects with other Shares of the Company on issue at the date of the issue and allotment.
- (viii) The rights of the Converting Noteholders will change to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation, including ASX Listing Rule 7.22.1.
- (ix) The Converting Notes will not be listed on the ASX. Upon the conversion of the Converting Notes and the issue of the Shares, the Company will apply to the ASX to have the Shares issued to the Converting Noteholders Officially Quoted and, subject to any ASX ruling regarding Restricted Securities or quotation, will rank equally with all the other Shares on issue. In all other respects, the rights and entitlements of the Converting Noteholders in respect of the Shares to be issued to them will be identical to the rights and entitlements of the holders of issued Shares.

(f) **ASX Listing Rule 7.3.6: *Intended use of the funds***

The funds raised by the issue of up to 63,083,333 Shares to the allottees in (d) above will be used to provide additional working capital to the Company. No funds raised from the issue were for any payments in relation to the proposed or ongoing project activities in the Company.

(g) **ASX Listing Rule 7.3.8: *A voting exclusion statement***

A voting exclusion statement is included at paragraph 7 of this Explanatory Memorandum.

## 7. Voting Exclusion Statement

### Resolution 4

In accordance with the notice requirements of ASX Listing Rule 7.3.8 for approval under ASX Listing Rule 7.1 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 4 by:

- (h) Perfection International Group Pty Ltd;  
Solomon Medical Research Korea;  
Teck Hong Ko;  
Suburban Holding Pty Ltd; and  
Vibrant Link Sdn Bhd.
- (i) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed; and
- (j) any Associate of that person.

However, the Company will not disregard a vote if:

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

### Voting at the Annual General Meeting:

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 3:00 pm Sydney time on 26 November 2012, being the second Business Day prior to the date of the Annual General Meeting.

On a show of hands, each member present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) shall have one vote for each Share held by him, her or it.





# Artist & Entertainment Group Limited

ABN 67 09777 1581

000001 000 AEM  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

For your vote to be effective it must be received by 3:00pm (Sydney time) on Monday, 26 November 2012.

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** 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 (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Artist & Entertainment Group Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Artist & Entertainment Group Limited to be held at Level 2, 131 Macquarie Street, Sydney, NSW 2000 on Wednesday, 28 November 2012 at 3:00pm (Sydney time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of David Hickie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Siew Hong Koh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Issue of Shares to Converting Noteholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

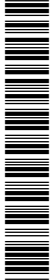
<b>Individual or Securityholder 1</b>	<b>Securityholder 2</b>	<b>Securityholder 3</b>
<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>	<input style="width: 90%; height: 20px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

# Artist & Entertainment Group Limited

ABN 67 09777 1581

All Correspondence to:-  
Computershare Investor Services Pty Limited  
GPO Box 2975  
MELBOURNE VICTORIA 3001  
Australia



┌ 000001 000 AEM  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Artist & Entertainment Group Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESSE environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESSE are also updated.

Yours sincerely

**Graham Kavanagh**  
Joint Company Secretary

