

31 October 2018

**Australian Securities Exchange Limited Via e-lodgement
ASX Code ICT**

iCollege in China – MOU with Shandong University

Key points:

- iCollege (China) has entered into a memorandum of understanding with Shandong University.

The board of iCollege Ltd (**ASX: ICT**) is pleased to announce that a formal MOU has been signed between iCollege (China) and Shandong University.

About Shandong University*

Shandong University is one of China's leading central government owned and operated universities. Its expansive curriculum covers all academic disciplines from degree level and above.

Shandong University has 60,000 full-time students enrolled in 2018.

Shandong University has 8 campuses throughout Shandong province. Six of the eight campuses are located in Jinan, the capital city of Shandong Province, one campus is located in Weihai and one is located in Qingdao.

Shandong University also manages 4 municipal colleges delivering qualifications below degree level (e.g. Cert II, Cert III and Diploma). Each college has more than 10,000 full time students enrolled during 2018.

The 4 colleges are:

- Jinan Vocational College;
- Shangdong College of Tourism and Hospitality;
- Weifang University of Science and Technology; and
- Jinan Vocational College of Nursing.

Shandong University has advised iCollege (China) that each college is eager to explore international internship opportunities for their students and learn about and develop international professional standards.

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Yan Han, Director of Shandong University GAC program commented:

“The colleges currently lack reliable overseas partners providing overseas internships and professional instructions for its students in Hospitality, Child Care and Construction. The college takes advantage of the Shandong University platform to expand overseas connections.

The university hopes to improve its own academic and research capacities and expand international influence via more international cooperation.”

Shandong University aims to build an internationally renowned first-class university and in furtherance of that, has sought to foster cooperation and interaction with overseas learning institutions.

iCollege chairman, Simon Tolhurst says:

“This is a great opportunity for iCollege. Our subject based faculties are aligned in their offering which opens the door for iCollege to provide dual qualifications with these Shandong based institutions – a flow of students and teachers in both directions.”

- Information provided by Yan Han, Director Shandong University, GAC Program.

Terms of the MOU

- The MOU is non-binding but obligates the parties to negotiate in good faith and use their respective best endeavours to conclude final binding agreements (**Final Agreements**) as soon as is reasonably practical;
- The general terms of the Final Agreement between iCollege (China) and Shandong University (**SDU**) is designed to facilitate the following:
 - Establishment of an English training centre within the Shandong University campus to be known as iStudy English Training Centre;
 - Establishment of an English testing centre which applies an internationally accredited and accepted test, on site at a Shandong University campus. iCollege will now seek to finalise negotiations with English Language Testing bodies to ensure the most robust and relevant English Language Testing. Negotiations have been ongoing with several ELT specialists and iCollege will advise when negotiations are finalised. The choice of examination provider will not impact the delivery of English Language Training at the Universities and Colleges.
 - Establishment of a paid 6-month, 1 year or 2-year international training component for applicants via placement in a training scheme in Australia to be arranged by iCollege (China) with the training module to be delivered by iCollege Limited; and

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- Subject to obtaining required licences, establishment of dual Chinese/Australian accredited qualifications to be delivered from a Shandong University campus.
- The initial focus will be on providing study and training opportunities in the hospitality space and thereafter in the building and construction space. The provision of English training and testing (when finalised) is not limited to those in hospitality, building or construction.
- Shandong University will be responsible for:
 - Providing, at its cost, suitable facilities to conduct an iStudy English Training Centre and facilitation of computer-based testing when testing agreements are finalised by iCollege;
 - Providing a financial contribution towards the fitout for the iStudy English Training and Testing Centre if that Training and Testing Centre is located on a Shandong University campus;
 - Providing a financial contribution to the marketing of the iStudy English Training and Testing Centre;
 - Promoting the iStudy English Training and Testing Centre to its students and across its various campuses and affiliated universities/colleges
 - Doing all things necessary to comply with Australian Skills Quality Authority (ASQA) licencing requirements;
 - Providing course material to iCollege to allow iCollege to adapt the material in a manner that will enable the course material to be ASQA accredited as an Australian qualification; and
 - Refer appropriately qualified SDU students to iStudy Australia (China) for study and training opportunities in Australia.
- iCollege will be responsible for:
 - Establishing and operating an iStudy English Training Centre and the facilitation of suitable and relevant Testing on Shandong University campus;
 - Undertaking the fit-out of the iStudy English Training and Testing Centre;
 - Marketing the iStudy English Training Centre;
 - Provision of suitable English Language Testing facilitated at the centre.

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- Arranging for SDU student's international study and/or training component in Australia, this will be achieved through iStudy Australia counsellors on location at Shandong University campuses;
- Providing course material to Shandong University for adaptation in a manner that will enable the course material to be accredited as a Chinese qualification;
- Subject to receiving Government approval and licencing, facilitate, establish and deliver iCollege's Australian accredited courses into the curriculum of Shandong University for the purposes of achieving dual qualifications;
- Refer appropriately qualified iCollege students to Shandong university for study and training in Shandong; and
- Pay a fee to Shandong University for each student undertaking study, training or testing with iCollege (China).

Student Benefits

By co-locating iCollege (China) English training and testing centres at Shandong University campus, iCollege (China) can act as a student information centre, providing information and assistance regarding:

- Visa options (student visa and 407 training visa);
- English level requirements and options to satisfy those requirements;
- Australian course selection options;
- Australian university/college and campus selection options;
- Enrolment fees and costs of living abroad information;
- Student Accommodation options

This MOU provides iCollege with access to 100,000 students through a single point partnership and encompasses all the short-term strategic objectives outlined by the board earlier in the year. This agreement will allow the business to develop onshore training, iStudy student recruitment, 407 Training visa opportunities and the further establishment of offshore English Language training facilities.

With the Australian Financial Review reporting, on August 8 2018, that "The latest data shows the international student market, which is dominated by China, contributed \$31.9 billion to the economy. In May, there were more than half a million international students in Australia from 200 countries of which 171,000 were Chinese students." This agreement represents an enormous opportunity for iCollege to continue to grow its international student numbers across numerous study and training activities. We look forward to sharing ongoing updates regarding this exciting initiative.

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Ends –

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