COMPANY INFORMATION SHEET

Company Name (stock code): Top Education Group Ltd (1752)

Stock Short Name: TOP EDUCATION

This information sheet is provided for the purpose of giving information to the public about Top Education Group Ltd (the "**Company**") as at the date specified. The information does not purport to be a complete summary of information about the Company and/or its securities.

RESPONSIBILITY STATEMENT

The directors of the Company (the "**Directors**") as at the date hereof hereby collectively and individually accept full responsibility for the accuracy of the information contained in this information sheet and confirm, having made all reasonable inquiries, that to be the best of their knowledge and belief the information contained in this information sheet is accurate and complete in all material respects and not misleading or deceptive and that there are no other matters the omission of which would make an information inaccurate or misleading herein.

The Directors also collectively and individually undertake to publish on a yearly basis, when the Company publishes its annual report, this information sheet reflecting, if applicable, the changes to the information since the last publication.

SUMMARY CONTENT

Date of this information sheet: 10 May 2018

Unless the context requires otherwise, capitalised terms used herein shall have the meanings given to them in the Company's prospectus ("**Prospectus**") dated 27 April 2018 and references to sections of the Prospectus shall be construed accordingly.

A. WAIVERS

In preparation for the Listing, we have applied for, and been granted by the Stock Exchange, a number of waivers from strict compliance with certain provisions under the Listing Rules.

Set out below are the waivers granted to us by the Stock Exchange in light of the specific facts and circumstances applicable to us:

Relevant Rule(s) waived	Subject matter
Rule 8.12	Management presence in Hong Kong
Rule 8.17	Appointment of Joint Company Secretaries
Rule 9.09	No dealing in securities by connected person from four clear business days before hearing until listing
Rule 14A	Connected Transactions

1. MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. Our Company's principal business and operations are located, managed and conducted in Australia. The entire revenue of our Company is generated from Australia, and none of our executive Directors is a Hong Kong permanent resident or is ordinarily based in Hong Kong and we expect that they will continue to be based in Australia after the Listing. As a result, our Company does not, and will not, in the foreseeable future, have a sufficient management presence in Hong Kong as required under Rule 8.12 of the Listing Rules. Further, it would be impractical and commercially unnecessary for our Company to appoint additional executive Directors who are ordinarily resident in Hong Kong or to relocate its existing Australia-based executive Directors to Hong Kong.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain regular and effective communication with the Stock Exchange, we have put in place the following measures:

(i) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorised representatives of our Company are Dr. Zhu, the chairman of our Board, the chief executive officer and our executive Director, and one of our joint company secretaries, Ms. Yuk Yin Ivy Chow who is ordinarily resident in Hong Kong;

(ii) any meeting between the Stock Exchange and our Directors will be arranged through the authorised representatives or our compliance adviser or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorised representatives and our compliance adviser;

(iii) each of our authorised representatives will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email;

(iv) each of our authorised representatives has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters. To enhance the communication between the Stock Exchange, the authorised representatives and the Directors, we have implemented a policy that (a) each Director will provide their respective office phone numbers, mobile phone numbers, facsimile numbers and email addresses to the authorised representatives and (b) all the Directors and authorised representatives will provide, if available, their office phone numbers, mobile phone numbers, facsimile numbers and email addresses to the Stock Exchange. In the event that a Director expects to travel or is out of office, he/she will provide the phone number of the place of his/her accommodation to our authorised representatives;

(v) the Directors, who are not ordinarily resident in Hong Kong, have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and are able to meet with the Stock Exchange within a reasonable period of time;

(vi) we have, in compliance with Rule 3A.19 of the Listing Rules, appointed China Galaxy International Securities (Hong Kong) Co., Limited as our compliance adviser who will, among other things, in addition to the two authorised representatives of our Company, act as the additional channel of communication with the Stock Exchange for the period commencing from the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. China Galaxy International Securities (Hong Kong) Co., Limited will have full access at all times to the authorised representatives of our Company and the Directors; and

(vii) we will also retain legal advisers to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the Listing.

2. APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, an issuer must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that an issuer must appoint as its company secretary an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of a company secretary.

We have appointed Ms. Min Ying ("**Ms. Ying"**) and Ms. Yuk Yin Ivy Chow ("**Ms. Chow**") as joint company secretaries of our Company. Ms. Ying, who is not a resident of Hong Kong, joined our Company in July 2013 as a tutor and was subsequently appointed as an accountant of our Company since July 2014. In April 2017, she was also appointed as a company secretary of our Company. She has been responsible for company secretarial duties, financial matters and a wide range of administrative affairs such as preparation of board meetings and company secretarial related works. We believe that having regard to Ms. Ying's past experience and familiarity with our Company, she is capable of discharging the duties as a company secretary of our Company.

However, Ms. Ying does not possess full qualifications as required under Rule 3.28 of the Listing Rules and as she has not previously had personal experience of the Hong Kong regulatory system, she may not be able to fulfil the requirements under Rule 3.28 of the Listing Rules. As such, we have appointed Ms. Chow to act as a joint company secretary and to provide joint company secretarial support and assistance to Ms. Ying so as to enable Ms. Ying to acquire the relevant experience as required under Rule 3.28 of the Listing Rules and to duly discharge the functions of a company secretary. While Ms. Ying has not previously had personal experience of the Hong Kong regulatory system, she will be assisted and has the resources and expertise of Ms. Chow as a joint company secretary.

Ms. Chow has over 20 years of experience in the corporate secretarial services sector. She has been a member of both the Hong Kong Institute of Chartered Secretaries ("**HKICS**") and the Institute of Chartered Secretaries and Administrators in the United Kingdom ("'**ICSA**") since April 1998 and has been a fellow member of HKICS and ICSA since December 2012. Accordingly, Ms. Chow satisfies the requirements of a company secretary as stipulated under Rule 3.28 of the Listing Rules.

In light of the above, we have sought and obtained from the Stock Exchange a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Ying may be appointed as our company secretary. The waiver was granted for an initial period of three years from the Listing Date and is subject to the following conditions:

(i) we engage Ms. Chow as a joint company secretary of our Company for a minimum period of three years commencing from the Listing Date. During such period of engagement, Ms. Chow will work closely with, and provide assistance to, Ms. Ying in the discharge of her duties as a company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules;

(ii) the waiver will be revoked immediately if, save and except for health reasons, Ms. Chow ceases to provide assistance to Ms. Ying as the joint company secretary for the three-year period after Listing (in which case we will appoint a new joint company secretary who satisfies the relevant requirements under the Listing Rules and re-apply for a new waiver);

(iii) Ms. Ying will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the Listing Date;

(iv) our Company will further ensure that Ms. Ying has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange;

(v) before the end of the initial three-year period, the qualifications and experience of Ms. Ying and the need for on-going assistance of Ms. Chow will be further evaluated by our Company; and

(vi) our Company will liaise with the Stock Exchange to enable it to assess whether Ms. Ying, having benefited from the assistance of Ms. Chow for three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of note 2 of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

For further details about the biographies of Ms. Ying and Ms. Chow, please refer to the section headed "Directors and Senior Management" in the Prospectus.

3. NO DEALING IN SECURITIES BY CONNECTED PERSON FROM FOUR CLEAR BUSINESS DAYS BEFORE HEARING UNTIL LISTING

Pursuant to Rule 9.09(b) of the Listing Rules, there must be no dealing in the securities for which listing is sought by any connected person of the issuer from four clear business days (as defined in the Listing Rules) before the expected hearing date until the listing is granted.

Pre-IPO Investment by Mr. Thomas Richard Seymour and Mr. Kai Zhang

On 26 April 2017 and 27 April 2017, each of TD Seymour Pty Ltd (ACN 609 660 139) ("**TD Seymour**") and Mr. Kai Zhang, respectively, subscribed for, and our Company has issued, 10,504 Class A Shares and 10,488 Class A Shares, to TD Seymour and Mr. Kai Zhang, respectively. Pursuant to the terms of their subscription for the above Class A Shares, each Class A Share will convert into an ordinary share in the share capital of our Company on the earlier to occur of (a) 31 December 2020, or (b) five Business Days prior to the issue of the Prospectus, or (c) such other earlier date determined by our Board in good faith to facilitate the Listing or the Trade Sale. The Third Round Pre-IPO Investment pursuant to which the Third Round Pre-IPO Investors became shareholders of the Company was not related to, and was independent of, the First Round Pre-IPO Investment. As disclosed in the section headed ''History, Reorganisation and Company Structure — Our Pre-IPO Investments'' in the Prospectus, the First Round Pre-IPO Investment was completed on 30 May 2016 involving PwC Nominees' strategic investment in our Company. However, the Third Round Pre-IPO Investment was completed on 26 May 2017 involving the Third Round Pre-IPO Investors who are individual partners of PwC Australia or their related trusts that made investments in our Company as personal investments that are unconnected with and independent of PwC Australia and PwC Nominees.

For the purpose of this section, the term "**Business Day**" means a day on which banks are open for general banking business in Sydney, Australia, excluding Saturdays, Sundays or public holidays in Sydney, Australia and the term "**Trade Sale**" means the sale of all or substantially all the business and assets of our Company to a bona fide party (in each case, whether by way of sale of shares in our Company or a related body corporate, the sale of assets or otherwise).

In anticipation of and for the purpose of the Listing, the Class A Shares held by the holders of the Class A Shares, including TD Seymour and Mr. Kai Zhang, will be automatically converted into ordinary Shares (the "**Pre-Listing Conversion**") five Business Days prior to the issue of the Prospectus, which falls within the period between four clear business days (which refers to any day on which the Stock Exchange is open for the business of dealing in securities) before the expected hearing date until the Listing. Please refer to the section "History, Reorganisation and Company Structure — Our Pre-IPO Investments" in the Prospectus for further details of the special rights of the holders of Class A Shares, including TD Seymour and Mr. Kai Zhang.

Mr. Thomas Richard Seymour is our non-executive Director and Mr. Kai Zhang is an alternate Director to Mr. Thomas Richard Seymour. TD Seymour is owned as to 50% by each of Mr. Thomas Richard Seymour and Ms. Danielle Olivia Seymour. Accordingly, TD Seymour and Mr. Kai Zhang are our core connected persons for the purpose of the Listing Rules. In view of this, the Pre-Listing Conversion would lead to a technical deviation from Rule 9.09(b) of the Listing Rules.

However, we believe the Pre-Listing Conversion will not prejudice the interests of the potential investors in our Company for the following reasons:

(a) the material terms of their Pre-IPO investment, including the Pre-Listing Conversion, which are disclosed in the section headed "History, Reorganisation and Company Structure — Our Pre-IPO Investments" in the Prospectus, provide sufficient information to enable potential investors to make a properly informed assessment of our Company;

(b) the Pre-Listing Conversion will automatically occur five Business Days prior to the issue of the Prospectus and does not require any additional consideration to be paid by any of the parties concerned; and

(c) the identity of the ultimate shareholders of TD Seymour (including Mr. Thomas Richard Seymour) and the respective percentage of interests of TD Seymour and Mr. Kai Zhang in our Company will not be changed by the Pre-Listing Conversion (other than any dilution effect arising from the Global Offering) nor would they benefit from the Pre-Listing Conversion by compromising the interests of potential investors in our Company.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has, subject to the following conditions, agreed to grant, a waiver from strict compliance with the requirements under Rule 9.09(b) of the Listing Rules:

(i) the material terms of their Pre-IPO investment, including the Pre-Listing Conversion, which are disclosed in the section headed "History, Reorganisation and Company Structure — Our Pre-IPO Investments" in the Prospectus, provide sufficient information to enable potential investors to make a properly informed assessment of our Company;

(ii) the Pre-Listing Conversion does not require any additional consideration to be paid by any of the parties concerned; and

(iii) the number and percentage of Shares to be transferred under the Pre-Listing Conversion are disclosed in the Prospectus, and the Pre-Listing Conversion will occur before the date of the Prospectus.

4. CONNECTED TRANSACTIONS

4.1 Connected Persons

PwC Nominees, as a nominee for PwC Australia, is a substantial shareholder of our Company. Accordingly, PwC Australia is a connected person of our Company.

4.2 The Alliance Agreement

Pursuant to the Alliance Agreement, TOP and PwC Australia agreed to establish a strategic alliance and work together to grow and promote TOP's business, including the provision of various services ("**PwC Australia Services**") by PwC Australia to TOP for a period commencing from 27 May 2016 to 31 March 2023, subject to extension as TOP and PwC Australia may agree, unless otherwise terminated by either party. The terms of the Alliance Agreement were negotiated between the parties on an arm's length basis. Further details of the Alliance Agreement are disclosed in the section headed "Business — Alliance with PwC Australia and Related Programs" in the Prospectus.

The provision of the PwC Australia Services will be subject to the standard terms of PwC Australia's engagement letters to be separately entered into with TOP as and when TOP requires the PwC Australia Services, including the service fees (the "**Service Fees**") which are calculated with reference to the nature of services provided, PwC Australia's standard rates as applicable at the time of the PwC Australia Services as well as the estimated number of chargeable hours involved.

(a) Reasons for the transactions

As mentioned in the section headed ''Business — Competitive Strengths'' in the Prospectus, our alliance arrangement with PwC Australia under the Alliance Agreement has provided us with a competitive advantage in that it has enhanced our standing, marketing position and future development prospects. Our strong background in business and accounting education, along with our recently founded law school, has strong synergies with PwC Australia's extensive history in business and accounting services, along with their recent growth strategy into the legal services market in Australia. The Alliance Agreement allows us to publicly use a co-brand ''Top Education in alliance with PwC'' at an institutional level, subject to PwC Australia's approval in each new instance, which we believe is very attractive to both students and corporate training clients, and our students also benefit from the services provided by PwC Australia under the Alliance Agreement such as the SCDP. Our students also benefit from the enhanced learning experiences with special lectures provided by PwC Australia's senior professionals, our SCDP program with PwC Australia, and work experience opportunities with PwC Australia. In the long term, our alliance with PwC Australia supports our goal of becoming a university of specialisation in the management and commerce field.

Under the Alliance Agreement, PwC Australia and TOP will also offer each other, in respect of higher education and executive education services, certain preferred terms including, but not limited to, trading terms not less favourable than those offered to any other party in the higher education sector and a first option to take up opportunities working together.

Under the Listing Rules, any written agreement for a continuing connected transaction should not be more than three years except in special circumstances where the nature of the transaction requires the agreement to be of a longer period. Given the importance of our alliance with PwC Australia which provides us with a competitive edge as discussed above, our Directors consider that it is in the interest of our Company and our Shareholders to maintain and cultivate a long-term relationship with PwC Australia to ensure its continuous participation in the development of our business and operations and enable us to maximise the long-term benefits of PwC Australia's involvement.

(b) Historical transaction amounts

The table below sets out the transaction amounts in relation to the PwC Australia Services during the Track Record Period:

	For the year ended 30 June			For the four months ended 31 October 2017
	2015	2016	2017	
	A$'000	*A$'000*	*A$'000*	*A$'000*
Total	-	-	536	451

Proposed annual caps and basis

The table below sets out the proposed annual caps of the transactions contemplated under the Alliance Agreement for each of the three years ending 30 June 2018, 2019 and 2020:

	Proposed annual cap for the year ending 30 June		
	2018	**2019**	**2020**
	AUD$'000	**AUD$'000**	**AUD$'000**
Total	1,000	650	650

The proposed annual caps set out above for the three years ending 30 June 2020 are based on our historical transaction amounts and the expected demand for PwC Australia Services as follow:

(i) SCDP

We intend to increase SCDP cohorts from one in the year ended 30 June 2017 to four cohorts annually starting from the year ending 30 June 2018. The maximum number of students is 40 per cohort, and the first cohort of the year ending 30 June 2018 was completed in July 2017 with 31 students in attendance. This expected increase in frequency of the SCDP is based on student feedback. It is expected that the transaction amounts under SCDP will increase for the year ending 30 June 2018 and remain relatively stable for the two years ending 30 June 2020;

(ii) Corporate training

Our corporate training is co-branded with PwC Australia and we work with PwC Australia representatives in developing course materials and content where relevant. As at 31 October 2017, we have had more than 10 corporate training clients. We have also co-developed with PwC Australia The Belt and Road Development Abroad training program designed to take advantage of the interest in China's Belt and Road Initiative and we delivered this program for the first time in March 2017. It is expected that we will deliver an increasing number of corporate training programs and The Belt and Road program during the three years ending 30 June 2020, which provides a new revenue stream for us by leveraging our strengths as a higher education provider. This would increase the procurement of these training services from PwC Australia throughout the three years ending 30 June 2020;

(iii) Digital services including virtual reality

We have built an innovative VR application with PwC Australia's assistance, which is already being used in one of our accounting units. We plan to further enhance our capability in this area with PwC Australia's assistance, growing our VR modules and other digital education methods to further supplement traditional classroom learning. This includes the development of online SCDP programs, which has commenced as at the Latest Practicable Date with an initial module and will create a new revenue stream for us. Therefore, it is expected that there will be an increasing demand for PwC Australia's digital and VR services during the three years ending 30 June 2020, in particular starting from the year ending 30 June 2019 upon completion of the Listing;

(iv) Professional services

It is expected that a majority of the PwC Australia Services to be used for the year ending 30 June 2018 will be professional accounting (such as financial reporting, forecast and modelling etc.) and tax (such as tax reporting and filing etc.) related services for the purpose of the Listing, resulting in a significant increase in the proposed annual cap for the year ending 30 June 2018. We leverage on the expertise of PwC Australia to facilitate our preparation of financial statements, forecast and modelling, tax computation and filing as well as to advise us on other miscellaneous professional accounting and tax related issues. Notwithstanding that we have engaged reporting accountants and internal control adviser in relation to our proposed Listing, they are mainly responsible for performing independent audit on our financial statements as well as independent review on our internal control and financial reporting system, and will not be involved in the underlying preparation work due to independence issue. Upon Listing, it is expected that our demand for PwC Australia's professional services will significantly decrease for the two years ending 30 June 2020, resulting in a decrease in proposed annual cap for the two years ending 30 June 2020 accordingly.

(c) Implications under the Listing Rules

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual cap is less than 5%, the transactions under the Alliance Agreement will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but is exempted from independent shareholders' approval.

4.3 Application for waivers

The transactions under the Alliance Agreement constitute our continuing connected transactions under Chapter 14A of the Listing Rules, which are subject to the reporting, annual review and announcement requirements of the Listing Rules. As these non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis, our Directors (including our independent non-executive Directors) consider that compliance with the above announcement requirements will be impractical, will add unnecessary administrative costs and will be unduly burdensome.

Accordingly, pursuant to Rule 14A.105 of the Listing Rules, our Company has applied for, and the Stock Exchange has granted to our Company, a waiver exempting us from strict compliance with the announcement requirements of the Listing Rules, subject to the condition that the aggregate values of the continuing connected transactions for each financial year not exceeding the relevant amounts set out in the respective annual caps (as stated above) and there being no significant changes in the terms of such transactions. The waiver granted by the Stock Exchange for the above non-exempt continuing connected transactions will expire on 30 June 2020. Upon expiry of the waiver, our Company will re-comply with the then applicable Listing Rules, including the requirements for setting new monetary annual caps for the Service Fees payable by us to PwC Australia under the Alliance Agreement.

In addition, our Company has applied for, and the Stock Exchange has granted to us, a waiver from strict compliance with the requirement under Rule 14A.52 of the Listing Rules for the Alliance Agreement where its term will expire in March 2023 such that it will exceed three years.

B. SHAREHOLDERS RIGHTS

Set out below is a summary of certain provisions of the Constitution of our Company and salient provisions of certain laws of Australia applicable to an Australian incorporated company.

Our Company was incorporated in Australia under the Australian Corporations Act as a proprietary company on 2 October 2001. It was converted to a public company limited by shares on 12 October 2017.

1. CLASSES OF SHARES

Pursuant to our Constitution, our Company may issue shares in different classes, on different terms and with different rights and restrictions attaching to shares. However, our Company currently only has ordinary Shares on issue.

2. PRE-EMPTIVE RIGHTS ON NEW ISSUES OF SHARES

Under the Australian Corporations Act, Shareholders do not have any right to be offered any Shares which are being newly issued for cash before those Shares can be offered to non-Shareholders.

3. ALTERATION OF CAPITAL

In accordance with the Australian Corporations Act, our Company may by ordinary resolution at a general meeting convert all or any of the Shares into a larger or smaller number of shares. Subject to compliance with the Australian Corporations Act, our Company may reduce its share capital.

4. BUY-BACKS

Subject to compliance with the Australian Corporations Act, our Company may buy back its own Shares.

5. VOTING RIGHTS

All Shareholders of our Company — irrespective of where they are resident and including those acting and registered as a nominee of a person beneficially interested in any of the Share — are permitted to appoint proxies/corporate representatives.

The Australian Corporations Act states that:

- a member of our Company who is entitled to attend and cast a vote at a meeting of our members may appoint any person or corporate representative as that member's proxy to attend and vote for that member at the meeting; and

- a proxy appointed to attend and vote for a member has the same rights as the member that appointed that proxy, to speak and vote at the meeting and join in a demand for a poll.

- Articles 16 and 17 of our Constitution contain practical rules about entitlements to attend and vote (including by proxy) which reflect the above statutory position.

6. DISTRIBUTION OF ASSETS ON A WINDING-UP

If our Company is wound up, the assets available for distribution among the members of our Company shall be distributed amongst those members entitled to assets in proportion to the Shares held by them respectively and taking into account the amounts paid up on the Shares.

7. TRANSFER OF SHARES

Subject to our Constitution, a member may transfer all or any of the Shares held by that member by instrument in writing. Article 9.1 of our Constitution provides that except where permitted by the Stock Exchange of Hong Kong Limited, there is no restriction on the transfer of Shares.

8. VARIATION OF RIGHTS

If at any time the issued Shares are divided into different classes, the rights attached to any class of Shares may only be varied or cancelled with either:

- the consent in writing of the holders of 75% of the issued Shares of that class; or

- the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class.

9. DIRECTORS' INTERESTS IN MATTERS

Each Director must declare and disclose a material interest to our Board as required by the Australian Corporations Act at the first meeting of our Board after our Director becomes a Director or our Director becomes aware of the facts give rise to the material interest.

10. RESTRICTIONS ON DIRECTORS VOTING

A Director (including any Alternate Director) who has a material personal interest (directly or indirectly) in a matter that is being considered at a meeting of our Directors will only be excluded or prohibited from voting on the matter, being counted in a quorum for the purposes of the meeting or being present while the matter is being considered, if the Director is so prohibited or excluded under the Australian Corporations Act.

This is unless the matter being considered relates to any contract or arrangement or any other proposal in which the Director or any of his or her close associates has a material personal interest, in which case such Director (including any Alternate Director) will be excluded from voting on that matter and being counted in a quorum for the purposes of that meeting.

11. BORROWING POWERS OF OUR COMPANY

Under Article 20.7 of our Constitution, the Directors may exercise all the powers of our Company to:

(a) borrow money and to mortgage or charge its undertaking, assets and uncalled capital or any part of it; and

(b) issue debentures, debenture stock and other securities whether outright or as security for any debt, contract, guarantee, engagement, obligation or liability of our Company or of any third party,

in each case, on such terms and conditions as the Directors think fit.

12. PROTECTION OF MINORITIES

A Shareholder may apply for a court order where the conduct of our Company's affairs is, among other things, oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a Shareholder or Shareholders. The orders that may be sought include winding up, amendment to our Constitution, orders regulating the conduct of our Company's affairs, orders for the purchase of shares, orders that our Company institute, defend or discontinue specified proceedings, and other similar orders.

13. DISPOSAL OF ASSETS

The Australian Corporations Act contains no specific restrictions on the powers of directors to dispose of the assets of a company. However, in exercising those powers, the directors must discharge their duties of care to act in good faith, for a proper purpose and in the best interests of our Company as required under directors' duties in Chapter 2D of the Australian Corporations Act and fiduciary obligations under general law in Australia.

Our Company cannot give a financial benefit to a related party of our Company without Shareholder approval, unless one of the exceptions specified in Chapter 2E of the Australian Corporations Act applies. A related party is defined in section 228 of the Australian Corporations Act, which includes a director of TOP or a person or entity related to a director.

14. RECONSTRUCTIONS

There are statutory provisions under Australian law which facilitate certain reconstructions and amalgamations approved by:

- a majority in number of the members present and voting; and
- 75% of the votes cast on the resolution.

Such reconstructions or amalgamations must also be approved by order of an Australian court.

15. WINDING UP

Our Company may be wound up either by an order of an Australian court or voluntarily deregistered by a special resolution of its members.

16. TAKEOVER REGULATION

The takeovers provisions in Chapter 6 of the Australian Corporations Act apply to certain dealings in the Shares. Those provisions apply to listed companies and unlisted companies with more than 50 members.

The Australian Corporations Act prohibits a person acquiring a ''relevant interest'' (basically power to vote or dispose of the share) in the voting shares in a company incorporated in Australia to which Chapter 6 of the Australian Corporations Act applies if, as a result, the ''voting power'' of the acquirer (or any other person) would:

- increase from 20% or below to more than 20%; or
- increase their voting power if that person already holds more than 20% but less than 90% of the voting power in that company.

This is unless an exception applies. These exceptions include acquisitions:

- under a formal takeover offer in which all Shareholders can participate;
- with the approval of our Shareholders given at a general meeting of our Company; and
- in 3% increments every six months (provided that the acquirer has had voting power of at least 19% in the target company for at least six months).

A person who has made a takeover bid where at the end of the offer period that person (and its associates) have a relevant interest in 90% or more of the issued shares and acquired 75% or more (by number) of shares held by other shareholders, may compulsorily acquire any remaining shares it does not hold at the same price offered under the bid, within one month after the end of the offer period. Even if a takeover bid has not been made, a person who otherwise lawfully acquires a relevant interest in 90% or more of the issued shares is able to acquire the remaining shares for fair value (confirmed by an independent expert), within six months after the person first acquires an interest in 90% or more of the issued shares.

Under the Australian Foreign Acquisition and Takeovers Act 1975 (Cth) and accompanying regulations, proposed acquisitions by foreign persons may require the prior approval of the Treasurer of Australia (advised by the Foreign Investment Review Board).

17. SHAREHOLDERS PROTECTIONS

Our Company was incorporated in Australia and is subject to the Australian Corporations Act and other applicable laws and regulations in Australia. Set out below is a discussion on the key shareholders' protection standards offered under our Constitution and the Australian laws and regulations that we consider material to our Shareholders and potential investors and as required under the Joint Policy Statement.

17.1 Matters requiring a Super-Majority Vote

The Joint Policy Statement requires the following matters to be approved by a super-majority vote of the shareholders:

- changes to the rights attached to any class of shares of an overseas company (vote by members of that class);
- material changes to an overseas company's constitutive documents, however framed; and
- voluntary winding up of an overseas company.

Under the Australian Corporations Act, there is a "special resolution" voting threshold for certain matters, which is effectively a 75% approval threshold. Under the Australian Corporations Act and our Constitution, a special resolution of members is required to approve:

- changes to the rights attached to any class of shares;
- any modification to, or repeal of, our Constitution; and
- where our Company is being wound up by the Court or voluntarily.

17.2 Meanings of a Super-Majority Votes

The Joint Policy Statement requires a super-majority vote to mean at least a two-third majority where an overseas company has a low quorum requirement. When an overseas company's threshold for deciding the matters in the paragraph headed ''Matter requiring a super-majority vote'' above is a simple majority only, these matters must be decided by a significantly higher quorum.

Under section 9 of the Australian Corporations Act, a special resolution means a resolution of which notice has been given in accordance with certain prescribed rules and that ii has been passed by at least 75% of the votes cast by members entitled to vote on that resolution.

17.3 Variation of rights

Our Constitution provides that a special resolution or the consent in writing of 75% of those in a class is required to approve a variation of rights of that class of shares. Our Constitution also provides that a quorum of shareholders who hold at least one third of the issued shares of the relevant class of shares present in person or by proxy and entitled to vote is required to form a quorum of all general meetings of that class.

17.4 Changes to our Constitution

Section 136(2) of the Australian Corporations Act and our Constitution provides that a special resolution of Shareholders is required for any modification to, or repeal of, our Constitution.

17.5 Winding-up

A special resolution of members of our Company is required to approve (i) winding-up by the court under section 461(1)(a) of the Australian Corporations Act or (ii) voluntary winding-up under section 491(1) of the Australian Corporations Act.

In addition, if our Company is wound up, Article 35.2 of our Constitution provides that a liquidator may (with the sanction of a special resolution of the members of our Company):

- divide among the members in kind all or part of the assets of the Company;
- set such value as the liquidator deems fair on any asset to be dividend;
- determine how the division shall be carried out as between the members or different classes of members; and/or
- vest the whole or part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.

17.6 Individual Members to Approve Increase in Members' Liability

The Joint Policy Statement requires that there should not be any alteration in an overseas company's constitutional document to increase an existing member's liability to the company unless such increase is agreed by such member in writing.

Under section 140(2)(b) of the Australian Corporations Act, unless a member of our Company agrees in writing to be bound, that member will not be bound by any alteration of our Constitution made after the date on which they became a member, if and to the extent that alteration increases the member's liability to contribute to the share capital of, or otherwise to pay money to, our Company.

17.7 Appointment of Auditors

The Joint Policy Statement requires that the appointment, removal and remuneration of auditors must be approved by a majority of an overseas company's members or other body that is independent of the board of directors, for example the supervisory board in systems that have a two tier board structure. Australian law does not require two tier board structures.

17.8 Appointment

Section 327B(1) of the Australian Corporations Act provides that a public company must appoint an auditor at its first annual general meeting and must appoint an auditor to fill any vacancy in the office of auditor at each subsequent annual general meeting. Appointments are made by way of a resolution passed by a simple majority of members.

17.9 Removal

Section 329(1) of the Australian Corporations Act provides that an auditor of the company may be removed by simple majority resolution of the members of a company at a general meeting, provided notice of intention to move the resolution is given to the company at least two months before the meeting.

17.10 Remuneration

Section 250R(1) of the Australian Corporations Act provides that the business of an annual general meeting may include the consideration of the annual financial report, directors' report and auditor's report, the election of directors, the appointment of the auditor, and the fixing of the auditor's remuneration. However, there is no requirement under the Australian Corporations Act for the auditor's remuneration to be approved by a majority of members. It is a matter for the Board of directors under Australian law.

17.11 Annual General Meetings

The Joint Policy Statement requires that an overseas company is required to hold a general meeting each year as its annual general meeting. Generally, not more than 15 months should elapse between the date of one annual general meeting of the overseas company and the next.

Section 250N of the Australian Corporations Act provides that our Company must hold an annual general meeting at least once in each calendar year and within five months after the end of its financial year.

17.12 Notice of General Meetings

The Joint Policy Statement requires that an overseas company must give its members reasonable written notice of its general meetings.

Section 249H(1) of the Australian Corporations Act provides that a company must give at least 28 days' notice of a meeting of members. However, our Company may call, on shorter notice, (i) an annual general meeting, if all the members entitled to attend and vote at the annual general meeting agree beforehand; and (ii) any other general meeting, if members with at least 95% of the votes that may be cast at the meeting agree beforehand. An Australian listed company is required to give at least 28 days' notice of meeting of members. Our Constitution provides that at least 28 days' notice of a meeting of members needs to be given.

However, our Company cannot call an annual general meeting or other general meeting on shorter notice if it is a meeting at which a resolution will be moved to remove or appoint a director or remove an auditor. Written notice of a meeting of a company's members must be given individually to each member entitled to vote at the meeting and to each director. Notice need only be given to one member of a joint membership. Notice to joint members must be given to the joint member named first in the register of members.

17.13 Rights to speak and vote at the General Meetings

The Joint Policy Statement requires that all members must have the right to speak and vote at a general meeting, except in cases where a member is required by the Hong Kong Listing Rules to abstain from voting to approve the transaction or arrangement (e.g. the member has a material interest in the transaction or arrangement).

Under the Australian Corporations Act, written notice of a meeting of a company's members must be given individually to each member entitled to vote at the meeting and to each director. A notice of meeting must set out, among other things, the time, date and place of the meeting and the general nature of the meeting's business. Section 250 of the Australian Corporations Act also provides that the chair at an annual general meeting must allow reasonable opportunity for the members as a whole at the meeting to ask questions about or make comments on the management of the company.

17.14 Proxies or Corporate Representatives

The Joint Policy Statement requires that a recognised Hong Kong clearing house must be entitled to appoint proxies or corporate representatives to attend general meetings and creditors meetings. These proxies/corporate representatives should enjoy statutory rights comparable to those of other shareholders, including the right to speak and vote.

The Australian Corporations Act does not contain any provision to the effect that a recognised clearing house would be prohibited from appointing proxies/corporate representatives. Article 17.1(b) of our Constitution expressly gives Hong Kong Securities Clearing Company Limited the right to appoint a proxy.

Our Constitution also provides that any voting member shall be entitled to appoint another person as his proxy to attend a general meeting and vote instead of him or her at that meeting. A voting member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting.

C. WITHHOLDING TAX

1. TAXATION

The following taxation summary is based on the tax laws in Australia and Hong Kong in force and the administrative practices of the Australian and Hong Kong tax authorities as at the Latest Practicable Date. During the period of ownership of the Shares by investors, the taxation laws of Australia and Hong Kong, or their interpretation, may change (possibly with retroactive effect).

Australian and Hong Kong tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own professional advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances. No conclusion should be drawn with respect to issues not specifically addressed by this summary.

The below summary assumes that the Company continues to be an Australian tax resident.

A. Australian tax implications

Set out below is a general summary of the Australian income tax implications for Australian tax resident individuals, companies (other than life insurance companies), complying superannuation entities and foreign resident investors that will hold the Shares on capital account. These comments do not apply to investors that hold the Shares on revenue account or as trading stock, investors who are exempt from Australian income tax or investors subject to the taxation of financial arrangements regime (the "**Regime**") in Division 230 of the *Income Tax Assessment Act 1997* (Cth) and does not cover foreign tax implications of owning the Shares.

1.1 Dividends paid on the Shares

Australian individuals and complying superannuation entities

Dividends paid by the Company on a Share should constitute assessable income of an Australian tax resident investor. Australia has an imputation system where the concept of franking broadly represents the net Australian corporate tax paid by the company. When corporate tax entities make a distribution to its members, it can impute tax credits to the distribution to avoid double taxation at the corporate entity level and again when the member receives the distribution. This is called "franking" a distribution. Dividends can be "franked" to a maximum percentage reflecting the Australian corporate tax rate of 30% for Australian tax purposes. The franking credits attached to a distribution represent the amount of tax already paid by the corporate entity and can be used by the recipients as tax offsets. Where the franking credits attached to the distributions received by individuals or superannuation funds exceed their tax liability, they are entitled to a refund of the franking credits.

Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend, assuming that the Company is not an exempting entity. Broadly, a company would be an exempting entity if it is at least 95% owned by foreign residents (including companies and individuals).

Subject to the 45 day rule as discussed further below, such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, investors who are individuals or complying superannuation entities should be entitled to a tax refund equal to the excess.

To the extent that the dividend is unfranked, investors who are individuals will generally be taxed at the prevailing (marginal) rate on the dividend received (with no tax offset) and the superannuation entities will be taxed at a concessional rate of 15%.

Australian trusts and partnerships

Australian tax resident investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the dividend as well as the associated franking credits in the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

Australian companies

Companies are also required to include both the dividend and the associated franking credits in their assessable income.

Companies are then entitled to a tax offset up to the amount of the franking credit attached to the dividend.

An Australian tax resident company should be entitled to a credit in its own franking account to the extent of the franking credits attached to the dividend received. This will allow the company to pass on the franking credits to its shareholders on the subsequent payment of franked dividends.

Excess franking credits received by Australian tax resident companies will not give rise to a refund entitlement but can be converted into carry forward tax losses instead.

Foreign tax resident investors

Fully franked dividends received by a foreign resident investor should not be subject to any Australian dividend withholding tax. However, refunds of imputation credits are not available for foreign investors.

Unfranked or partially franked dividends paid to a foreign resident investor should generally be subject to Australian dividend withholding tax to the extent of the unfranked component of the dividend. The rate of the dividend withholding tax (up to 30%) will depend on the country in which the relevant investor is resident. Such investors may be able to claim foreign tax credits for the Australian withholding tax in the jurisdiction in which they are a tax resident, depending on the tax law in the relevant jurisdiction. Investors should seek their own professional tax advice to confirm this.

2. SHARES HELD AT RISK — AVAILABILITY OF FRANKING CREDITS

The benefit of franking credits can be denied where an investor is not a "qualified person" in which case the amount of the franking credits will not be included in their assessable income and they will not be entitled to a tax offset.

Broadly, to be a "qualified person" two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold the Shares at risk for a continuous period of not less than 45 days during the primary qualification period in order to qualify for franking benefits, including franking credits. The primary qualification period is the period commencing the day after the Shares were acquired and ending on the 45th day after the Shares became ex-dividend. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed AUD$5,000.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule is applied within the period commencing on the 45th day before, and ending on the 45th day, after the day the Shares become ex-dividend.

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of "dividend washing" arrangements. Shareholders should consider the impact of these rules given their own personal circumstances.

B. HONG KONG TAX IMPLICATIONS

The below summary assumes that the Company continues to be an Australian tax resident.

1. DIVIDENDS PAID ON THE SHARES

Under the current legislation and practice of the Inland Revenue Department of Hong Kong, dividend income received by the Shareholders would generally not be chargeable to tax in Hong Kong.

No withholding tax are levied in Hong Kong on dividends paid to non-resident.

D. CONSTITUTIONAL DOCUMENTS