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## **TOP EDUCATION GROUP LTD**

**澳洲成峰高教集團有限公司**

*(Registered in New South Wales, Australia with limited liability)*

**(ACN 098 139 176)**

**(Stock code: 1752)**

### **UPDATE ON PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF 85% EQUITY INTEREST IN SCOTS ENGLISH COLLEGE PTY LTD**

This announcement is made by Top Education Group Ltd (the “**Company**”) pursuant to Rule 14.36B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcements of the Company dated 23 September 2019 and 28 October 2019 in relation to the acquisition of 85% interest in Scots English College Pty Ltd (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, pursuant to the Share Sale and Purchase Deed, payment of the First Earn Out Amount is subject to the following First Earn Out Conditions:

- (a) 100% of the First Earn Out Amount (being A\$724,472) is payable if the FY20 NPAT is A\$1 million or more; or
- (b) 75% of the First Earn Out Amount (being A\$543,354) is payable if (i) the FY20 NPAT is A\$700,000 or more but less than A\$1 million and (ii) the aggregate of the FY20 NPAT plus the 1HFY21 NPAT is more than A\$1 million; or
- (c) 0% of the First Earn Out Amount (being nil) is payable in circumstances other than those described in (a) or (b).

The Company has received a copy of the FY20 Accounts as finalised and approved by the board of directors of the Target. The performance of the Target during the financial year ended 30 June 2020 is in line with the Company's expectation, considering the current circumstances. The FY20 NPAT amounted to approximately A\$730,000, which is more than A\$700,000 but less than A\$1 million. As such, the First Earn Out Amount payable will be adjusted downward based on the formulae set out above (as applicable), and will be finally determined subject to the results of 1HFY21 NPAT. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

By order of the Board  
**Top Education Group Ltd**  
**Minshen Zhu**  
*Chairman*

Sydney, Australia, 21 September 2020

*As at the date of this announcement, the executive Directors are Dr. Minshen Zhu (Ms. Rongning Xu as his alternate) and Ms. Sumeng Cao, the non-executive Directors are Mr. Amen Kwai Ping Lee, Mr. Thomas Richard Seymour (Mr. Kai Zhang as his alternate), Mr. Yi Dai and Mr. Edward Chiang, and the independent non-executive Directors are Professor Weiping Wang, Professor Brian James Stoddart, Mr. Tianye Wang and Professor Steven Schwartz.*