



# 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)  
(Stock Code: 1752)

Interim Report

# 2023

Innovation Towards  
Intelligent Education

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Director:

Ms. Rongning Xu

### Non-executive Directors:

Mr. Amen Kwai Ping Lee  
*(Chairperson, appointed on 18 November 2022)*  
Mr. Yi Dai  
Mr. Edward Chiang  
Ms. Xing Shi Huang *(Deputy Chairperson)*  
Mr. Qingquan Yang *(appointed on 16 March 2023)*  
Mr. Thomas Richard Seymour  
*(resigned on 18 November 2022)*  
*(Mr. Kai Zhang as his alternate)*  
*(ceased on 18 November 2022)*

### Independent non-executive Directors:

Professor Steven Schwartz  
Mr. Tianye Wang  
Mr. Jonathan Richard O’Dea  
*(appointed on 15 February 2023)*  
Professor Brian James Stoddart  
*(Chairperson, resigned on 18 November 2022)*

## AUDIT COMMITTEE

Mr. Tianye Wang *(Chair)*  
Professor Steven Schwartz  
Mr. Jonathan Richard O’Dea  
*(appointed on 15 February 2023)*  
Professor Brian James Stoddart  
*(resigned on 18 November 2022)*

## REMUNERATION COMMITTEE

Professor Steven Schwartz *(Chair)*  
Mr. Tianye Wang  
Mr. Amen Kwai Ping Lee

## NOMINATION COMMITTEE

Mr. Jonathan Richard O’Dea  
*(Chair, appointed on 15 February 2023)*  
Professor Steven Schwartz  
Ms. Xing Shi Huang  
Professor Brian James Stoddart  
*(Chair, resigned on 18 November 2022)*

## CHIEF EXECUTIVE OFFICER

Ms. Rongning Xu

## COMPANY SECRETARY

Ms. Min Ying

## AUTHORISED REPRESENTATIVES

Ms. Rongning Xu *(appointed on 18 November 2022)*  
Ms. Min Ying  
Professor Brian James Stoddart  
*(resigned on 18 November 2022)*

## AUDITOR

Ernst & Young  
Recognised Public Interest Entity Auditor  
200 George Street  
Sydney, NSW 2000  
Australia

## REGISTERED OFFICE, PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN AUSTRALIA

Suite 1, Biomedical Building  
1 Central Avenue  
Eveleigh, New South Wales 2015  
Australia

## PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon  
Hong Kong

## AUSTRALIA PRINCIPAL SHARE REGISTRAR

Top Education Group Ltd  
Suite 1, Biomedical Building  
1 Central Avenue  
Eveleigh, New South Wales 2015  
Australia

## HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712 – 1716, 17th Floor  
Hopewell Centre  
183 Queen’s Road East  
Wanchai  
Hong Kong

## COMPANY WEBSITE

[www.top.edu.au](http://www.top.edu.au)

## STOCK CODE

1752

## BUSINESS REVIEW

Top Education Group Ltd, trading as Australian National Institute of Management and Commerce (“IMC”) as well as Top Education Institute, is one of Australia’s primary and best-in-class private tertiary education providers. TOP has been nationally registered with TEQSA and also approved in May 2018 for Self-Accrediting Authority (“SAA”) by TEQSA in the Broad Field of Education in Management and Commerce from AQF levels 5 to 9, which includes bachelor and master’s degree courses. In this Broad Field, TOP’s Business School provides quality programs at both undergraduate and postgraduate levels. The relevant courses are also accredited by major professional bodies, such as ACCA, CPA Australia and CAANZ. TOP also founded the first Law School within a private higher education institute when both TEQSA and NSW LPAB officially accredited its Bachelor of Laws that enables its graduates to apply for admission as professional lawyers.

### *PwC*

PwC Nominees, as a nominee for PwC Australia, invested in the Company as a Shareholder in May 2016.

PwC Australia and the Company entered into an Alliance Agreement ceasing on 31 March 2023. Under the Alliance Agreement, PwC Australia provides services to the Company, which have assisted the Company to deliver initiatives including tertiary student career development and executive education programs including academic and non-academic courses in Australia, as well as designing “smart campus” and digital education solutions.

## Operational Updates

### *Course Development*

#### *New Field – Information Technology*

One of the strategic initiatives of the Group is to offer courses within the Broad Field of Education 02, Information Technology. The Group’s very first IT course, Master of Data Analytics, was accredited by TEQSA, for seven years from 4 October 2022.

Such accreditation provides students with an assurance that high-quality education will be delivered. There is a resurgence of interest in IT courses in Australia, with data science-related courses having enhanced career opportunities.

Hence, the Group can now offer courses in three fields of education, Management and Commerce, Information Technology and Law.

### *Management and Commerce*

Within the Broad Field of Education 08, Management and Commerce, in which the Group holds SAA granted by TEQSA, initiatives have occurred. At the whole-of-course level, the Master of Accounting Intelligence was recognised by the major Australian professional accounting bodies as meeting their professional accreditation requirements allowing graduates to proceed to professional qualifying exams to achieve full recognition within the accounting profession. A feature of the Master of Accounting Intelligence is the integration of content on data and visual analytics with the core body knowledge required by professional accounting organisations for course recognition.

Under the Group's SAA in the Management and Commerce field of education, the Group's governance committees approved offering an updated Master of Applied Financial Technology and Blockchain. This course combines existing and newly developed content in fintech, analytics, blockchain, cryptography and data security into a master's level award for learners interested in, or intending to work in, the digital economy of the 21st century.

### ***New Horizons***

#### *Regulatory Trend*

Late in 2022, the Australian Government announced a Review of Australia's Higher Education System. This is the first major review in over a decade and will likely lead to substantial reform. The Group responded to a general invitation and made a strong submission on behalf of the private higher education sector on the terms of reference for the review. As that sector accounts for 8.64% of currently enrolled students in Australian higher education, the Group's submission emphasised the sector's relevance to the reform process. The Review is expected to conclude in late 2023, with outcomes reported in 2024.

#### *Diversification of Students*

The Group continues diversifying its student profile by engaging with higher education infrastructure in other countries. Of particular note is the visit to the Sydney campus in August 2022 of the Consul General of the Consulate General of Vietnam in Sydney. Discussions with the Consul General and consulate staff focused on the potential for deep cooperation between Vietnamese and Australian higher education institutes. The Group continues developing connections in Vietnam and expects to attract more students from that area.

#### *Campus Expansion*

In addition to the Group's locations in Sydney and Hobart, a third campus has been established in Perth, Western Australia, with the commencement of courses scheduled for March 2023. Perth is a major city and the capital of Western Australia. It represents a desirable study location for international students owing to its climate, time zone, lower accommodation costs and the policy for Western Australia graduates to stay.

### ***Operational Plans***

Two operational plans continue to drive change in the content and modes of delivery of the Group's award courses at bachelor's and master's degree levels: the Curriculum Innovation Plan and the Digital Learning Plan.

### *Curriculum Innovation Plan*

Emerging in 2019, the Curriculum Innovation Plan is a clear statement endorsed at all levels within the Group that education delivery must focus on student employability in the technology and data-centric world of the 21st century. An expected outcome of this plan is to position the Group as a place for specialist study in these fields and be attractive to domestic and international postgraduate students. This plan is the genesis for new courses, outlined below, and the motivation to update established courses to ensure that applications of digital technology permeate all delivered learning content. Recently developed units in, for example, digital marketing, technology and law, and data analytics in finance embedded within established courses ensure the relevance of learning content in those courses.

### *Digital Learning Plan*

The Digital Learning Plan, now in its fourth iteration, provides the imprimatur for a blended learning education system where both online and in-class learning environments combine to provide students with a learning experience that suits their needs and aspirations. Following the pandemic-induced online learning system, it is clear that students want elements of online learning to continue owing to its convenience and the innovative ways it can be used to enhance student interest. It is also known that students want to return to campus, not only for learning but for social interaction and a campus experience. The Digital Learning Plan is a cornerstone of the blended learning system where synchronous learning in class is combined with self-paced asynchronous online learning before and after class to provide a learning environment for students that is both convenient and engaging.

## Student Enrolments

For the six months ended 31 December 2022, the total EFTSL of higher education services of the Group increased by approximately 30.9% comparing with the corresponding period in the last financial year.

	Six months ended 31 December	
	2022	2021
Undergraduate Courses	177.9	147.6
Postgraduate Courses	409.5	323.6
Non-Award Unit Study	107.6	59.8
<b>Total</b>	<b>695.0</b>	<b>531.0</b>

The EFTSL of commencing students during the Reporting Period increased by approximately 129.1% to 254.4 comparing with the corresponding period in the past financial year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Tuition fee

Annual tuition fee increases will be capped at 15% and increases over any three-year period will not exceed 30%. The tuition fee increase is determined by the management teams subject to market conditions. During the Reporting Period, the tuition fee had been remained flat comparing with the corresponding period in the last financial year.

Course Name	International		Domestic	
	2023 AUD\$	2022 AUD\$	2023 AUD\$	2022 AUD\$
Diploma in Applied Finance and Accounting	21,000	21,000	17,200	17,200
Associate Degree of Applied Finance and Accounting	42,000	42,000	34,400	34,400
Bachelor of Applied Finance and Accounting	63,000	63,000	51,600	51,600
Diploma of Business	21,000	21,000	15,000	15,000
Associate Degree of Business	42,000	42,000	30,000	30,000
Bachelor of International Business	63,000	63,000	45,000	45,000
Graduate Certificate in Accounting	11,960	11,960	8,600	8,600
Graduate Certificate in Business	11,960	11,960	8,600	8,600
Graduate Certificate in Business Management	11,960	11,960	8,600	8,600
Graduate Certificate in Data Analytics	13,200	-	8,600	-
Graduate Certificate in Financial Technologies Management	11,960	11,960	8,600	8,600
Graduate Diploma of Accounting	23,920	23,920	17,200	17,200
Graduate Diploma of International Business	23,920	23,920	17,200	17,200
Graduate Diploma of Marketing	23,920	23,920	17,200	17,200
Graduate Diploma of Business Administration	23,000	23,000	17,200	17,200
Graduate Diploma of Data Analytics	26,400	-	17,200	-
Graduate Diploma of Financial Technologies Management	23,920	23,920	17,200	17,200
Master of International Business	35,880	35,880	25,800	25,800
Master of Marketing	35,880	35,880	25,800	25,800
Master of Professional Accounting	35,880	35,880	25,800	25,800
Master of Accounting Practice	35,880	35,880	25,800	25,800
Master of Professional Accounting Services	47,840	47,840	34,400	34,400
Master of Business Administration	46,000	46,000	34,400	34,400
Master of Business Administration (Digital Business Applications)	46,000	46,000	34,400	34,400
Master of Business Administration (Business Analytics)	46,000	46,000	34,400	34,400
Master of Business Administration (Professional Accounting)	46,000	46,000	34,400	34,400
Master of Business Administration (FinTech Management)	46,000	46,000	34,400	34,400
Master of Data Analytics	52,800	-	34,400	-
Master of Accounting Intelligence	47,840	47,840	34,400	34,400
Master of Applied Financial Technology and Blockchain	47,840	47,840	34,400	34,400
Master of Big Data Auditing	47,840	47,840	34,400	34,400
Master of Taxation (with Data Analysis and Artificial Intelligence)	47,840	-	34,400	34,400
Bachelor of Laws	96,000	80,000	48,000	48,000

## Outlook

Operations in the Reporting Period continued to be adversely affected by conditions arising from the COVID-19 pandemic. However, conditions eased toward the end of 2022, and the outlook is brighter in early 2023.

International students are returning to Australia with encouragement from the Australian Government, evidenced by open borders and the relaxation of conditions limiting the working rights of persons holding an Australian student visa.

From March 2023, the Group plans to have students returning to on-campus lessons while at the same time offering students learning support through online means. The delivery of blended education will be a feature of the Group's activities moving forward. A lot has been learned from the switch to online education arising from the pandemic in 2020. A future combining the best of online learning with active classroom learning will position the Group as an attractive study destination for students who have changed their outlook on what a modern education facility should offer.

Meanwhile, the strategies of the Group to enhance national presence and promoting qualified courses within both international and local markets will remain, especially with recently accredited course under the new Broad Field of Information Technology and innovative courses embedding contents of data and visual analytics under the Broad Field of Management and Commerce.

With the current strong cash reserve, the Group will continue to actively seek for investment opportunities which will bring synergy and expansion of our business.

## FINANCIAL REVIEW

### Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group derives revenue primarily from tuition fees.

The Group's revenue increased by approximately 14.4% from approximately AUD\$9.4 million for the six months ended 31 December 2021 to approximately AUD\$10.8 million for the six months ended 31 December 2022. A breakdown of revenue is shown below:

	Six months ended 31 December		
	2022 (Unaudited) AUD\$'000	2021 (Unaudited) AUD\$'000	Change %
Course fee income	10,023	8,717	+15.0%
Other service fee income	734	690	+6.4%
	<b>10,757</b>	9,407	+14.4%

The increase in revenue was primarily due to a 15.0% increase in course fee income from approximately AUD\$8.7 million for the six months ended 31 December 2021 to approximately AUD\$10.0 million for the six months ended 31 December 2022, resulting mainly from the increase in student enrolment.

Tuition fee contributed over 93.2% of the Group's revenue while other service fee represented approximately 6.8% of the revenue.



### Cost of Revenue

Cost of revenue consists primarily of staff costs, depreciation and amortisation, office expenses, consultation and student related costs.

Cost of revenue increased by approximately AUD\$0.5 million, or 8.4%, from approximately AUD\$5.9 million for the six months ended 31 December 2021 to approximately AUD\$6.4 million for the six months ended 31 December 2022. The increase in cost of revenue was mainly due to costs incurred as a result from the increase in student enrolment.

### Gross Profit and Gross Profit Margin

Gross profit increased by approximately 24.6% from AUD\$3.5 million for the six months ended 31 December 2021 to AUD\$4.3 million for the six months ended 31 December 2022, and the gross profit margin increased from approximately 36.9% for the six months ended 31 December 2021 to approximately 40.2% for the six months ended 31 December 2022. Primarily due to the increase in tuition revenue resulted from increases in student enrolment.

### Other Income and Gains

Other income decreased by 63.7% from approximately AUD\$1.1 million for the six months ended 31 December 2021 to approximately AUD\$0.4 million for the six months ended 31 December 2022. The decrease primarily resulted from the decrease in government support for COVID-19 pandemic.

### Administrative Expenses

Administrative expenses primarily consist of the salaries and other benefits for general and administrative staff, office-related expenses, depreciation and public company expenses.

Administrative expenses decreased by 14.4% from approximately AUD\$4.0 million for the six months ended 31 December 2021 to approximately AUD\$3.4 million for the six months ended 31 December 2022. This decrease was primarily due to the decrease in office operation, consulting and employee related expenses.

### Advertising and Marketing Expenses

Advertising and marketing expenses primarily consisted of salaries and other benefits for recruitment and marketing staff, advertising expenses and student recruitment expenses.

Advertising and marketing expenses remains stable at AUD\$1.1 million for the six months ended 31 December 2022 and six months ended 31 December 2021.

### Finance Costs

Finance costs represent the interest expense on the lease liabilities.

Finance costs remains stable at AUD\$0.4 million for the six months ended 31 December 2022 and six months ended 31 December 2021.

### Loss for the Reporting Period

As a result of the above factors, the Group recorded approximately AUD\$0.2 million loss for the six months ended 31 December 2022 (31 December 2021: AUD\$0.7 million).

### Capital Expenditure

Our capital expenditures for the six months ended 31 December 2022 were approximately AUD\$0.6 million, consisted primarily of expenditures on (i) plant and equipment, (ii) classroom equipment and office and (iii) teachers reference books.

### Liquidity, Financial Resources and Gearing Ratio

As at 31 December 2022, the Group had cash on hand of AUD\$36.3 million (30 June 2022: AUD\$33.2 million) with no bank borrowings (30 June 2022: nil). During the six months ended 31 December 2022, the Group financed our working capital requirements and capital expenditures principally through net cash inflows from operating activities and the net proceeds raised from the IPO.

As at 31 December 2022, the gearing ratio, which is calculated on the basis of total borrowing and total equity of the Group was 0% (30 June 2022: 0%).

### Significant Investments, Acquisitions and Disposals

Save as disclosed in this report, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period, nor any plan authorized by the Board for other material investments or additions of capital assets during the six months ended 31 December 2022.

### Foreign Exchange Risk Management

The functional currency of the Group is AUD. The majority of the Group's revenue and expenditures are denominated in AUD, except that certain expenditures are denominated in HKD. As at 31 December 2022, certain bank balances and payables were denominated in USD and HKD. The Group did not use any financial instruments for hedging purposes. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

### Charges on the Group's Assets

There were no charges on the Group's assets as at 31 December 2022 (30 June 2022: Nil).

### Contingent Liabilities

Details of the contingent liabilities relate to the acquisition of SCOTS are set out in Note 20 of the consolidated financial statements. As at the end of Reporting Period, the Group did not have any other significant contingent liabilities.

### EMPLOYMENT AND REMUNERATION POLICIES

During the six months ended 31 December 2022, including academic staff, the Company employed 91 staff (six months ended 31 December 2021: 101). The remuneration packages of the employees of the Company are determined with reference to their qualification, working experience, performance, contribution to the Company and prevailing market rate.

The Company's remuneration policy is formulated under the guidance of the Australian Law, industry award as well as various market factors. The Company pays its permanent staff with a basic annual salary plus superannuation and other standard entitlements under Australian employment law; and pays its casual staff on a sessional basis with an hourly basis plus standard entitlements.

A Remuneration Committee was set up for reviewing the Company's remuneration policy and structure for all Directors and senior management of the Company, having regard to the Company's operating results, individual performance of the Directors and senior management and comparable market practices. None of the Directors will determine their own remuneration.

The Directors and senior management may also receive shares and/or options to be granted under the Share Option Scheme and/or Share Award Scheme.

The Company places great importance on the continuing development of professional knowledge and skills for our employees. The Company believes that the continued growth and success of our business is built upon employee excellence and their ability to provide quality of services to our students and corporate clients, and is also a key element on our objective to retain a team of quality and skilled core workforce.

The Company strongly encourages all employees to participate in systematic training and professional development. In addition, the Company provides comprehensive training programs to ensure that employees have the training required to fulfil the continuous professional training requirements of their respective profession.

## INTERIM DIVIDEND

The Board does not recommend an interim dividend in respect of the six months ended 31 December 2022 (six months ended 31 December 2021: Nil).

## PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## USE OF NET PROCEEDS FROM THE COMPANY'S LISTING

Net proceeds from the Listing (including the over-allotment option and after deducting underwriting fee and relevant expenses) amounted to approximately HK\$172 million or AUD\$30 million. As at 31 December 2022, a total amount of approximately HK\$122.3 million of the net proceeds had been used by the Company according to the allocation set out in the Prospectus as follows:

Purpose	Percentage to total amount	Net proceeds HK\$ (million)	Utilised Amount as at 31 December 2022 HK\$ (million)	Unutilised amount as at 31 December 2022 HK\$ (million)	Expected timeline for utilising the unutilised amount <sup>(1)</sup>
Acquiring or investing in educational groups/institutions in the PRC and in Australia	41.0%	70.4	21.0	49.4	by the end of 2023 <sup>(2)</sup>
Developing "Intelligent Education", which includes utilising digital education solutions for course contents, infrastructure of campuses and offices, and teaching and learning method	27.8%	47.8	47.8	–	–
Upgrading TOP's existing campus	9.4%	16.1	16.1	–	–
Expanding TOP's campus locations	5.5%	9.5	9.5	–	–
Establishing virtual student experience centre	0.6%	1.0	1.0	–	–
Expanding TOP's research program and developing PhD towards our strategic goal	3.1%	5.3	5.3	–	–
Expanding TOP's marketing activities	4.4%	7.6	7.6	–	–
Working capital and general corporate purposes	8.2%	14.0	14.0	–	–
<b>Total</b>	<b>100.0%</b>	<b>171.7</b>	<b>122.3</b>	<b>49.4</b>	

## OTHER INFORMATION

Note:

- (1) The expected timeline for utilising the remaining amount of proceeds is based on the best estimation made by the Group. It will be subject to change based on the current and future development of market and environment conditions.
- (2) The unutilised proceeds are currently expected to be used by the end of 2023 and the delay in the use of such proceeds is primarily due to additional time required for (i) conducting detailed research and feasibility studies on potential investment targets under current complex, uncertain and volatile international environment, and (ii) discussions and negotiations regarding potential cooperative opportunities due to travel and other restrictions imposed by and commercial uncertainties arising out of the pandemic.

## AUDIT AND REVIEW OF FINANCIAL INFORMATION

The Audit Committee reviewed the unaudited financial statements and the interim report of the Group for the six months ended 31 December 2022, including the accounting principles and practices adopted by the Group.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2022, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Shares and Underlying Shares <sup>(1)</sup>	Approximate % of Shareholding in the Company <sup>(2)</sup>
Ms. Rongning Xu	Beneficial owner	7,294,274 <sup>(3)</sup>	0.29%
Ms. Xing Shi Huang	Executor or administrator	348,826,000 <sup>(4)</sup>	14.33%
Mr. Amen Kwai Ping Lee	Beneficial owner	150,302,000	6.17%
Mr. Thomas Richard Seymour (resigned on 18 November 2022)	Interested in a controlled corporation	21,008,000 <sup>(5)</sup>	0.86%
Mr. Kai Zhang (as alternate director to Mr. Thomas Richard Seymour, resigned on 18 November 2022)	Beneficial owner	20,976,000	0.86%
Professor Brian James Stoddart (resigned on 18 November 2022)	Beneficial owner	4,592,000	0.18%
Professor Steven Schwartz	Beneficial owner	3,892,000 <sup>(6)</sup>	0.15%
Mr. Qingquan Yang (appointed on 16 March 2023)	Beneficial owner <sup>(7)</sup> ; interest in controlled corporation <sup>(7)</sup>	365,714,000	15.02%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 2,433,332,000 Shares in issue as at 31 December 2022.
- (3) This represents Ms. Rongning Xu's entitlement to receive up to 1,294,274 Shares pursuant to the exercise of options granted to her under the Share Option Scheme, subject to the conditions (including vesting conditions) of those options, and the entitlement to receive up to 6,000,000 Shares pursuant to the exercise of Awarded Shares granted to her under the Share Award Scheme, subject to the conditions (including vesting conditions) of those Awarded Shares.

- (4) Ms. Xing Shi Huang is the widow of the late Dr. Zhu, who beneficially owned 228,506,000 Shares and the entitlement to receive up to 120,320,000 Shares pursuant to the exercise of performance rights granted to Dr. Zhu under the Pre-IPO Performance Rights Plan. Such Shares and entitlement form part of Dr. Zhu's estate. Pursuant to letters of administration granted by the Supreme Court of New South Wales on 24 January 2022, Ms. Huang was appointed as administrator of Dr. Zhu's estate. As such, Ms. Huang is deemed to be interested in the 348,826,000 Shares within the meaning of Part XV of the SFO.
- (5) Mr. Thomas Richard Seymour controls 50% of the voting rights of TD Seymour Pty Ltd (ACN 609 660 139). As such, Mr. Thomas Richard Seymour is deemed to be interested in 21,008,000 Shares held by TD Seymour Pty Ltd (ACN 609 660 139).
- (6) Apart from 830,000 Shares beneficially owned by Professor Steven Schwartz which have been issued to him pursuant to the exercise of vested performance rights, such interest includes Professor Steven Schwartz's entitlement to receive up to 3,062,000 Shares pursuant to the exercise of performance rights granted to him under the Pre-IPO Performance Rights Plan, subject to the conditions (including vesting conditions) of those rights.
- (7) Mr. Qingquan Yang directly holds 153,812,000 Shares and Billion Glory, which is wholly-owned by Mr. Yang, directly holds 211,902,000 Shares. Accordingly, Mr. Yang is deemed to be interested in 211,902,000 Shares held by Billion Glory by virtue of the disclosure requirements of the SFO.

Save as disclosed above, as at 31 December 2022, none of the Directors and chief executives of the Company had registered an interest or short position in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2022, so far as the Directors are aware, the following persons (other than Directors or chief executives of the Company) or corporations have interests or short positions in the Shares and the underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Nature of Interest	Position	Number of Shares	Approximate percentage <sup>(1)</sup>
Ms. Shuling Chen	Interest of a spouse <sup>(2)</sup>	Long	365,714,000	15.02%
Billion Glory	Beneficial owner <sup>(2)</sup>	Long	211,902,000	8.70%
Tristar United	Beneficial owner	Long	150,002,000	6.16%
Ms. Josephine Kam Shan Lam	Interest of a spouse <sup>(3)</sup>	Long	150,302,000	6.16%
Xinjiang Guoli	Beneficial owner	Long	351,180,000	14.43%
PwC Australia	Beneficial owner <sup>(4)</sup>	Long	264,708,000	10.87%
Minsheng Education Group	Interest in a controlled corporation <sup>(5)</sup>	Long	209,000,000	8.58%

Notes:

- (1) The calculation is based on the total number of 2,433,332,000 Shares in issue as at 31 December 2022.

## OTHER INFORMATION

- (2) Ms. Shuling Chen is the spouse of Mr. Qingquan Yang and is deemed to be interested in the shareholding interests of Mr. Yang by virtue of the disclosure requirements of the SFO.
- (3) Ms. Josephine Kam Shan Lam is the spouse of Mr. Amen Kwai Ping Lee and is deemed to be interested in the shareholding interests of Mr. Lee by virtue of the disclosure requirements of the SFO.
- (4) PwC Nominees is the registered owner of the Shares and holds the Shares as a bare trustee for PwC Australia as the sole beneficiary of a trust under a trust arrangement between PwC Nominees and PwC Australia. Accordingly, PwC Australia is deemed to be interested in 264,708,000 Shares held by PwC Nominees as nominee and bare trustee by virtue of the disclosure requirements of the SFO.
- (5) Minsheng Education Group is the sole shareholder of Minsheng Development which directly holds 209,000,000 Shares, and accordingly, Minsheng Education Group is deemed to be interested in 209,000,000 Shares held by Minsheng Development by virtue of the disclosure requirements of the SFO.

## PRE-IPO PERFORMANCE RIGHTS PLAN, SHARE OPTION SCHEME AND SHARE AWARD SCHEME

The Company has adopted Pre-IPO Performance Rights Plan, Share Option Scheme and Share Award Scheme for the purpose of motivating eligible participants to optimise their future contributions to the Company and/or to reward them for their past contributions.

### Pre-IPO Performance Rights Plan

The following sets out movements in the Pre-IPO Performance Rights granted under the Pre-IPO Performance Rights Plan during the Reporting Period:

Grantee	Balance as at 30 June 2022 (number of underlying Shares)	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed/ cancelled during the Reporting Period	Balance as at 31 December 2022 (number of underlying Shares)
<b>Directors</b>					
Dr. Minshen Zhu (deceased) (ceased on 28 April 2021)	120,320,000	–	–	–	120,320,000
Prof. Brian James Stoddart (resigned on 18 November 2022)	–	–	–	–	–
Prof. Steven Schwartz	3,062,000	–	–	–	3,062,000
<b>Council Members</b>					
Prof. Stephen Nicholas	2,066,000	–	–	–	2,066,000
Prof. John Hearn	2,066,000	–	–	–	2,066,000
Dr. Le Ma	462,000	–	–	–	462,000

As disclosed in the Company's announcement dated 30 April 2021, Dr. Minshen Zhu passed away on 28 April 2021. Pursuant to the Pre-IPO Performance Rights Plan Rules (as modified by the offer letter from the Company to Dr. Zhu dated 10 June 2017), Dr. Zhu was considered to be a Good Leaver. The Board has determined to issue a Non-Lapse Notice on 27 May 2021 that all of Dr. Zhu's unvested Pre-IPO Performance Rights as of the date of the Non-Lapse Notice, being 60,160 Pre-IPO Performance Rights (equivalent to 120,320,000 Shares upon the full exercise of such rights), have not lapsed and all Vesting Conditions in respect of such rights are deemed to have been satisfied. Such rights form part of Dr. Zhu's estate.

The Pre-IPO Performance Rights granted to the grantees other than Dr. Minshen Zhu will be vested during a 3-year period, during which 33% of the total rights will be vested in each year. The grantee may exercise in whole or in part of all vested Pre-IPO Performance Rights at any time during the 15 years commencing from the date the Pre-IPO Performance Rights were issued.

The grantees of the performance rights granted under the Pre-IPO Performance Rights Plan above is/are not required to pay for the grant of any performance rights under the Pre-IPO Performance Rights Plan.

Save and except as disclosed above, no other rights have been granted or agreed to be granted by the Company under the Pre-IPO Performance Rights Plan.

A summary of the principal terms of the Pre-IPO Performance Rights was disclosed in the section headed "Report of the Directors" of the 2022 Annual Report of the Company.

## Share Option Scheme

### *Employee Share Options*

On 18 July 2018 ("Date of Grant"), the Company granted share options to subscribe for a total of 25,781,938 Shares under the Share Option Scheme to the eligible employees (the "Employee Share Options"), among which, the options to subscribe for 1,294,274 Shares were granted to Ms. Rongning Xu, the executive Director, and to Ms. Sumeng Cao, the former executive Director, respectively. The share options granted to Ms. Sumeng Cao lapsed on 10 December 2021.

The consideration for the acceptance of the Employee Share Options was AUD\$1.00. The exercise price of the Employee Share Options granted is HK\$0.560, which represents no less than the highest of the following: (i) the closing price of HK\$0.540 per Share as stated in the Stock Exchange's daily quotation sheet on the Date of Grant; (ii) the average of the closing prices as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Date of Grant of HK\$0.560 per Share; and (iii) the nominal value of the Share.

The validity period of the Employee Share Options is 10 years from the Date of Grant, i.e. from 18 July 2018 to 17 July 2028 (both days inclusive), and the Employee Share Options shall lapse at the expiry of the validity period.

The Employee Share Options shall be vested in three tranches in accordance with the following dates: (i) up to 33.33% of the Employee Share Options shall be vested to each Grantee at any time after expiration of 12 months from the Date of Grant, i.e. 17 July 2019; (ii) up to 33.33% of the Employee Share Options shall be vested to each Grantee at any time after expiration of 24 months from the Date of Grant, i.e. 17 July 2020; (iii) up to 33.34% of the Employee Share Options shall be vested to each Grantee at any time after expiration of 36 months from the Date of Grant, i.e. 17 July 2021.



## OTHER INFORMATION

Details of the movement of Employee Share Options granted under the Share Option Scheme for six months ended 31 December 2022 are as follows:

Grantee	Balance as at 1 July 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed/ cancelled during the Reporting Period	Balance as at 31 December 2022
Ms. Rongning Xu	1,294,274	–	–	–	1,294,274
<b>Employees in aggregate</b>	14,366,440	–	–	569,481	13,796,959
<b>Total</b>	15,660,714	–	–	569,481	15,091,233

### *Agent Share Options*

On 11 November 2021 (the “Grant Date”), the Company granted share options to subscribe for a total of 48,600,000 Shares under the Share Option Scheme to the eligible student recruitment agents (the “Agent Share Options”)

The consideration for the acceptance of the Agent Share Options was AUD\$1.00. The exercise price of the Agent Share Options granted is HK\$0.200, which represents (i) a premium of approximately 23.5% to the closing price of HK\$0.162 per Share as stated in the Stock Exchange’s daily quotation sheet on the Grant Date; and (ii) a premium of approximately 16.0% to the average closing price of HK\$0.172 per Share as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Grant Date.

The validity period of the Agent Share Options is 10 years from the Grant Date, i.e. from 11 November 2021 to 10 November 2031 (both days inclusive), and the Agent Share Options shall lapse at the expiry of the validity period.

Subject to the vesting conditions of the Share Option Scheme and as set out in the respective letters of grant issued, the Agent Share Options shall be vested in three tranches in accordance with the following dates: (i) up to 30% of the Agent Share Options shall be vested to each Grantee at any time after the expiry of 14 months and 5 days from the Grant Date, i.e. on 16 January 2023; (ii) up to 30% of the Agent Share Options shall be vested to each Grantee at any time after the expiry of 26 months and 5 days from the Grant Date, i.e. on 16 January 2024; (iii) up to 40% of the Agent Share Options shall be vested to each Grantee at any time after the expiry of 38 months and 5 days from the Grant Date, i.e. on 16 January 2025.

Details of the movement of Agent Share Options granted under the Share Option Scheme for six months ended 31 December 2022 are as follows:

Grantee	Balance as at 1 July 2022	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed/ cancelled during the Reporting Period	Balance as at 31 December 2022
Student recruitment agents	28,900,000	–	–	–	28,900,000

Save and except as disclosed above, no other options have been granted or agreed to be granted by the Company under the Share Option Scheme.

A summary of the principal terms of the Share Option Scheme were disclosed in the section headed “Report of the Directors” of the 2022 Annual Report of the Company.

### Share Award Scheme

On 28 February 2019, the Company granted a total of 12,000,000 Awarded Shares to two Selected Employees for nil consideration in accordance with the Scheme Rules, among which, 6,000,000 Awarded Shares were granted to Ms. Rongning Xu, the executive Director, and to Ms. Sumeng Cao, the former executive Director, respectively. The Awarded Shares granted to Ms. Sumeng Cao lapsed on 10 December 2021.

Furthermore, on 24 May 2019, the Company granted a total of 19,000,000 Awarded Shares to four Selected Employees for nil consideration in accordance with the Scheme Rules.

The Awarded Shares granted to Selected Employees will vest subject to the satisfaction of the vesting conditions as that on the applicable vesting dates (fifth anniversary of the date of grant), the grantee remains as an employee of the Company.

For the six months ended 31 December 2022, the Trustee of the Share Award Scheme had not purchased any Shares pursuant to the Trust Deed and Share Award Scheme.

Details of the grant of Awarded Shares to the Directors and other employees of the Company are as follows:

Grantee	Balance as at 1 July 2022	Granted during the Period	Exercised during the Period	Lapsed or cancelled during the Period	Balance as at 31 December 2022
Ms. Rongning Xu	6,000,000	–	–	–	6,000,000
<b>Employees (in aggregate)</b>	19,000,000	–	–	–	19,000,000
<b>Total</b>	25,000,000	–	–	–	25,000,000

A summary of the principal terms of the Share Option Scheme were disclosed in the section headed “Report of the Directors” of the 2022 Annual Report of the Company.

### CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board is of the view that during the six months ended 31 December 2022, the Company had complied with applicable code provisions of the CG Code.

### **COMPLIANCE WITH RULES 3.10(1), 3.10A, 3.21 AND 3.27A OF THE LISTING RULES**

As disclosed in the announcement of the Company dated 17 November 2022, following the resignation of Professor Brian James Stoddart as an independent non-executive Director, the chairperson and member of the Nomination Committee, and a member of the Audit Committee, the Company did not meet the requirement under Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules during the six months ended 31 December 2022.

On 15 February 2023, with the appointment of Mr. Jonathan Richard O'Dea as an independent non-executive Director, the chairperson and member of the Nomination Committee, and a member of the Audit Committee, the Company has complied with the requirements of the abovementioned Listing Rules. Details of his biography have been disclosed in the Company's announcement dated 10 February 2023.

### **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as the code of conduct regarding Directors' securities transactions. Specific enquiry has been made by the Company with all Directors and the Directors have confirmed that they had complied with the Model Code throughout the six months ended 31 December 2022.

### **EVENTS AFTER THE REPORTING PERIOD**

There were no significant events after the Reporting Period.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Notes	Six months ended 31 December	
		2022 (unaudited) AUD\$'000	2021 (unaudited) AUD\$'000
<b>REVENUE</b>	4	<b>10,757</b>	9,407
Cost of sales		<b>(6,433)</b>	(5,937)
Gross profit		<b>4,324</b>	3,470
Other income and gains	4	<b>392</b>	1,079
Administrative expenses		<b>(3,399)</b>	(3,972)
Advertising and marketing expenses		<b>(1,109)</b>	(1,104)
Finance costs	5	<b>(404)</b>	(420)
<b>LOSS BEFORE TAX</b>	6	<b>(196)</b>	(947)
Income tax credit	7	<b>31</b>	230
<b>LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(165)</b>	(717)
Loss Attributable to:			
Owners of the Company		<b>(158)</b>	(701)
Non-controlling interests		<b>(7)</b>	(16)
		<b>(165)</b>	(717)
<b>EARNINGS PER SHARE FOR LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic loss per share (AUD cents)	9	<b>(0.007)</b>	(0.029)
Diluted loss per share (AUD cents)	9	<b>(0.007)</b>	(0.029)

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 December 2022 (unaudited) AUD\$'000	30 June 2022 (audited) AUD\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		9,371	9,824
Intangible assets		10,550	11,165
Right-of-use assets		11,497	12,456
Prepayments and deposits	12	1,188	1,188
Goodwill		1,533	1,533
Total non-current assets		34,139	36,166
<b>CURRENT ASSETS</b>			
Trade receivables	11	627	550
Prepayments, other receivables and other assets	12	3,039	3,249
Tax receivable		723	793
Cash and cash equivalents		36,316	33,225
Total current assets		40,705	37,817
<b>CURRENT LIABILITIES</b>			
Trade payables	13	2,255	2,022
Other payables and accruals	14	2,658	3,432
Lease liabilities		1,179	1,179
Contract liabilities	15	6,085	3,862
Deferred tax liability		460	561
Total current liabilities		12,637	11,056
<b>NET CURRENT ASSETS</b>		<b>28,068</b>	<b>26,761</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>62,207</b>	<b>62,927</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		14,349	15,056
Other payables and accruals	14	309	348
Total non-current liabilities		14,658	15,404
Net assets		47,549	47,523
<b>EQUITY</b>			
Share capital	16	36,414	36,414
Treasury shares	16	(2,236)	(2,236)
Reserves		12,944	12,911
Non-controlling interests		427	434
Total equity		47,549	47,523

Amen Kwai Ping Lee  
Director

Rongning Xu  
Director

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2022

For the six months ended 31 December 2022

	Note	Issued capital AUD\$'000	Treasury shares AUD\$'000	Share-based payment reserve AUD\$'000	Retained profits AUD\$'000	Non-controlling interest AUD\$'000	Total equity AUD\$'000
As at 1 July 2022 (audited)		36,414	(2,236)	4,294	8,617	434	47,523
Loss and total comprehensive income for the period		-	-	-	(158)	(7)	(165)
Equity-settled performance rights arrangements	17	-	-	191	-	-	191
At 31 December 2022 (unaudited)		36,414	(2,236)	4,485	8,459	427	47,549

For the six months ended 31 December 2021

	Note	Issued capital AUD\$'000	Treasury shares AUD\$'000	Share-based payment reserve AUD\$'000	Retained profits AUD\$'000	Non-controlling interest AUD\$'000	Total equity AUD\$'000
As at 1 July 2021 (audited)		36,281	(2,236)	4,694	9,916	463	49,118
Loss and total comprehensive income for the period		-	-	-	(701)	(16)	(717)
Issue of shares		133	-	(133)	-	-	-
Equity-settled performance rights arrangements	17	-	-	56	-	-	56
At 31 December 2021 (unaudited)		36,414	(2,236)	4,617	9,215	447	48,457

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2022

	Notes	Six months ended 31 December	
		2022 (unaudited) AUD\$'000	2021 (unaudited) AUD\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(196)	(947)
Adjustments for:			
Interest income	4	(197)	(23)
Finance costs	5	404	420
Foreign exchange gain		-	(7)
Share-based payments	17	191	56
Depreciation of property, plant and equipment		513	550
Amortisation of right-of-use assets		959	959
Amortisation of intangible assets		1079	1,012
		<b>2,753</b>	2,020
(Increase)/decrease in trade receivables		(77)	3
(Increase)/decrease in prepayments, other receivables and other assets		212	(1,044)
Increase in trade payables		233	89
(Decrease)/increase in other payables and accruals		(813)	395
Increase in contract liabilities		2,223	900
Cash generated from operations		<b>4,531</b>	2,363
Interest received	4	197	23
Foreign exchange gain		-	7
Interest element on lease liabilities		(404)	(420)
Income tax paid		-	(372)
Net cash flows from operating activities		<b>4,324</b>	1,601
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment	10	(60)	(37)
Additions to intangible assets		(464)	(743)
Net cash flows used in investing activities		<b>(524)</b>	(780)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Principal portion of lease payments		(709)	(241)
Net cash flows used in financing activities		<b>(709)</b>	(241)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2022

	Notes	Six months ended 31 December	
		2022 (unaudited) AUD\$'000	2021 (unaudited) AUD\$'000
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>3,091</b>	580
Cash and cash equivalents at beginning of period		<b>33,225</b>	29,575
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>36,316</b>	30,155
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>36,316</b>	30,155



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

## 1. CORPORATE AND GROUP INFORMATION

Top Education Group Ltd is a limited liability company, incorporated on 2 October 2001 and domiciled in Australia. The registered office of the Company is located at Suite 1, Biomedical Building, 1 Central Avenue, Eveleigh, New South Wales 2015, Australia. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 11 May 2018.

During the six months ended 31 December 2022, the Company and its subsidiaries were principally engaged in providing private higher education services and English language courses in Australia.

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 31 December 2022 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim condensed consolidated financial statements are presented in Australian dollars ("AUD\$") and all values are rounded to the nearest thousand except when otherwise indicated.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022, except for the adoption of the following revised IFRSs effective as of 1 July 2022.

Amendments to IFRS 3  
Amendments to IAS 16

Annual Improvements to  
IFRSs 2018-2020

*Reference to the Conceptual Framework*

*Property, Plant and Equipment:*

*Proceeds before Intended Use*

*Amendments to IFRS 1, IFRS 9, Illustrative Examples  
accompanying IFRS 16, and IAS 41*

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the revised IFRSs are described below:

Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting issued in June 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date.

As there was no business combination occurred during the Reporting Period, the amendments did not have any impact on the Group's financial statements.

Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss.

Since there was no sale of items produced while making property, plant and equipment available for use during the Reporting Period, the amendments did not have any impact on the financial position or performance of the Group.

Annual Improvements to IFRSs 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendments that are applicable to the Group are as follows:

IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.

IFRS 16 Leases: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### 3. OPERATING SEGMENT INFORMATION

The Group has identified the chief executive officer ("CEO") and the Board of Directors as the chief operating decision makers. The Group is principally engaged in the provision of education services in Australia.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the CEO and directors, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the CEO and directors reviewed the financial results of the Group as a whole. Therefore, no further information about operating segments is presented.

During the Reporting Period, the Group operated within one geographical segment because all of its revenue was generated in Australia. All of the non-current assets of the Group are located in Australia. The non-current asset information is based on the assets' location and excludes financial instruments and deferred tax assets.

The CEO and the Board of Directors as the chief operating decision makers examine the Group's performance primarily based on the number of students and course fees earned.

No services provided to a single customer contributed 10% or more of the total revenue of the Group during the six months ended 31 December 2022 (six months ended 31 December 2021: nil).

#### 4. REVENUE AND OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 31 December	
	2022 (unaudited) AUD\$'000	2021 (unaudited) AUD\$'000
<i>Revenue from contracts with customers</i>		
Course fee income	10,023	8,717
Others service fee income	734	690
	10,757	9,407
<i>Revenue from contracts with customers</i>		
(i) <i>Disaggregated revenue information</i>		
Geographical markets		
Australia	10,757	9,407
Timing of revenue recognition		
Course fee income recognised over time	10,023	8,717
Others service fee income recognised over time	734	690
	10,757	9,407

(ii) Performance obligations

*Provision of private higher education services and English course services in Australia*

The performance obligation is satisfied over time as services are rendered. The Group's contracts with students for higher education programs are normally with duration of 0.5 year renewed up to total duration of 1 to 4 years depending on the education programs. The Group's contracts with students for English courses are normally between 8 weeks and 20 weeks depending on the education programs. Tuition fees are determined and paid by the students before the start of each school term.

	Six months ended 31 December	
	2022 (unaudited) AUD\$'000	2021 (unaudited) AUD\$'000
<b>Other income and gains</b>		
Interest income	197	23
Realised foreign exchange gains, net	-	7
Government grants	166	850
Others	29	199
	392	1,079

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

### 5. FINANCE COST

	Six months ended 31 December	
	2022	2021
	(unaudited) AUD\$'000	(unaudited) AUD\$'000
Interests on lease liabilities	404	420
	<b>404</b>	<b>420</b>

### 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Note	Six months ended 31 December	
		2022	2021
		(unaudited) AUD\$'000	(unaudited) AUD\$'000
Amortisation of intangible assets		1,079	1,012
Depreciation of property, plant and equipment		513	550
Amortisation of right-of-use assets		959	959
Auditors' remuneration		39	42
Employee benefit expense (excluding directors' and chief executive's remuneration (note 19)):			
Wages, salaries and other employee benefits		2,965	3,331
Share-based payments	17	191	56
Pension scheme contributions (defined contribution schemes)		285	291
Less: Amount capitalised		(117)	(283)
		<b>5,914</b>	<b>5,958</b>

## 7. INCOME TAX

The Group is subject to income tax on profits arising in or derived from the jurisdiction in which the Group is domiciled and operates. Profits tax has been provided at the Group's statutory tax rate of 25% for the six months ended 31 December 2022 and 2021 on the estimated assessable profits.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Reporting Period.

	Six months ended 31 December	
	2022 (unaudited) AUD\$'000	2021 (unaudited) AUD\$'000
Current		
(Credit)/charge for the period	(132)	(443)
Deferred tax	101	213
<b>Total tax (credit)/charge for the period</b>	<b>(31)</b>	<b>(230)</b>

## 8. INTERIM DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2022 (six months ended 31 December 2021: nil).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

### 9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the period of the Company of AUD\$158,000 (six months ended 31 December 2021: AUD\$701,000) and the weighted average number of ordinary shares of 2,394,512,000 (six months ended 31 December 2021: 2,392,399,000) in issue during the period.

The calculation of the diluted earnings or loss per share amount is based on the profit or loss for the Reporting Period attributable to owners of the Company. The weighted average number of shares used in the calculation is the number of shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential shares into shares during the period.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 31 December	
	2022 (unaudited) AUD\$'000	2021 (unaudited) AUD\$'000
<b>Earnings</b>		
Loss attributable to owners of the Company	(158)	(701)
	Number of shares	
	2022 (unaudited) Ordinary shares '000	2021 (unaudited) Ordinary shares '000
<b>Shares</b>		
Weighted average number of shares in issue used in the basic earnings per share calculation taking into account the share subdivision	2,394,512	2,392,399
Effect of dilution – weighted average number of shares:		
Performance rights	–	–
	<b>2,394,512</b>	<b>2,392,399</b>

Due to the Group's negative financial results for the period ended 31 December 2022 and 2021, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the period ended 31 December 2022 and 2021 is equivalent to the basis loss per share.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2022, the Group acquired assets with a cost of AUD\$60,000 (six months ended 31 December 2021: AUD\$37,000) as additions to property, plant and equipment.

## 11. TRADE RECEIVABLES

The Group's students are required to pay tuition fees in advance for upcoming semesters. The outstanding receivables represent amounts related to students who have applied for the delayed payment of tuition fee. There is no fixed term for delayed payments. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and that the Group's trade receivables relate to a large number of students, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at the end of the Reporting Period, based on the transaction date is as follows:

	<b>31 December 2022 (unaudited) AUD\$'000</b>	30 June 2022 (audited) AUD\$'000
Trade receivables (neither past due nor impaired)	627	550

  

	<b>31 December 2022 (unaudited) AUD\$'000</b>	30 June 2022 (audited) AUD\$'000
Within 1 year	627	550



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

### 12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	31 December 2022 (unaudited) AUD\$'000	30 June 2022 (audited) AUD\$'000
<b>Non-current assets</b>		
Prepayments	1,188	1,188
	<b>1,188</b>	<b>1,188</b>
<b>Current assets</b>		
Prepayments	208	461
Term deposits	1,741	1,740
Other assets	109	110
Other receivables	981	938
	<b>3,039</b>	<b>3,249</b>

None of the above assets are either past due or impaired. The financial assets included in the above balances relate to amounts for which there was no recent history of default.

### 13. TRADE PAYABLES

	31 December 2022 (unaudited) AUD\$'000	30 June 2022 (audited) AUD\$'000
Trade payables	2,255	2,022

Trade payables are non-interest-bearing and are normally settled on 60-day terms.

#### 14. OTHER PAYABLES AND ACCRUALS

	31 December 2022 (unaudited) AUD\$'000	30 June 2022 (audited) AUD\$'000
<b>Current liabilities</b>		
Other payables	1,185	2,104
Unpaid leave obligations	1,473	1,328
Other payables and accruals	<b>2,658</b>	3,432
<b>Non-current liabilities</b>		
Unpaid leave obligations	162	150
Accruals for reinstatement cost	147	198
Other payables and accruals	<b>309</b>	348

Other payables and accruals for reinstatement cost are unsecured, interest-free and have no fixed terms of repayment.

#### 15. CONTRACT LIABILITIES

Details of contract liabilities balance are as follows:

	31 December 2022 (unaudited) AUD\$'000	30 June 2022 (audited) AUD\$'000
Short-term advances received from students		
Course fees	<b>6,085</b>	3,862

Contract liabilities include short-term advances received from students in relation to the proportionate service not yet provided. The Group receives tuition fees from students in advance prior to the beginning of each academic term. Tuition fees are recognised proportionately over the relevant period of the applicable program.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 16. SHARE CAPITAL

#### Shares

	<b>31 December 2022 (unaudited) AUD\$'000</b>	30 June 2022 (audited) AUD\$'000
Issued and fully paid: 2,433,332,000 (30 June 2022: 2,433,332,000) ordinary shares	<b>36,414</b>	36,414

#### Treasury shares

	<b>Number of shares</b>	<b>Total AUD\$'000</b>
At 30 June 2022 (audited)	<b>38,820,000</b>	<b>2,236</b>
Shares held for share-based payments	-	-
At 31 December 2022 (unaudited)	<b>38,820,000</b>	<b>2,236</b>

	Number of shares	Total AUD\$'000
At 30 June 2021 (audited)	38,820,000	2,236
Shares held for share-based payments	-	-
At 31 December 2021 (unaudited)	38,820,000	2,236

During the six months ended 31 December 2022, the Trust acquired nil shares (31 December 2021: nil).

A summary of movements in the Group's share capital is as follows:

	<b>Number of shares in issue (in thousands)</b>	<b>Share capital AUD\$'000</b>
At 1 July 2022 (audited)	<b>2,433,332</b>	<b>36,414</b>
At 31 December 2022	<b>2,433,332</b>	<b>36,414</b>

## 17. SHARE-BASED PAYMENTS

The Group has adopted three share schemes, namely Pre-IPO Performance Rights Plan, Share Option Scheme and Share Award Scheme, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Schemes include the Group's employee, director or member of the Council of one or more members of the Company and its subsidiaries selected by the Board of Directors in its absolute discretion to participate in the Scheme.

### Pre-IPO Performance Rights Plan

The Pre-IPO Performance Rights Plan (the "Pre-IPO Plan") was adopted under written resolutions of the Board of Directors passed on 8 June 2017. As at 31 December 2019, 60,160 performance rights had been granted to Dr Minshen Zhu, the then CEO of the Company, under this plan (the "CEO's performance rights plan"). The Group has on 20 April 2018 granted an additional 11,481 performance rights under the Pre-IPO Performance Rights Plan to certain members of the Council and certain Directors, including (i) Mr. Jing Li, being our then non-executive Director; (ii) Professor Brian James Stoddart, being our then independent non-executive Director and member of the Council; and (iii) Professor Steven Schwartz, being our independent non-executive Director and member of the Council (the "Council and Board members' performance rights plan"). The shareholding of each of Professor Brian James Stoddart and Professor Steven Schwartz in the Group will not be more than 1% of the enlarged share capital of the Group upon completion of the Global Offering assuming that their performance rights above are fully vested.

The maximum aggregate number of shares underlying all grants of performance rights pursuant to the Pre-IPO Plan is 143,282,000 shares, assuming the total of 71,641 performance rights granted under the Pre-IPO Plan are fully vested after the completion of the share split, which would incur a dilution of approximately 5.5% of the shareholding of the Shareholders immediately following the Listing. No further performance rights will be granted under the Pre-IPO Plan on or after the date of the Listing.

#### *CEO's performance rights plan*

The CEO's performance rights plan became effective in June 2017 and, unless otherwise cancelled or amended, will remain in force for 15 years from that date.

Performance rights granted to the CEO of the Company are subject to approval in advance by the directors. Provided that the CEO remains employed until the later of the fifth anniversary of the grant of the performance rights and a liquidity event (defined as a listing, a business sale or a share sale in the plan rules), the performance rights will vest.

There is no exercise price payable by the CEO. Performance rights do not confer rights on the holders to dividends or to vote at shareholders' meetings.

## 17. SHARE-BASED PAYMENTS (Continued)

### Pre-IPO Performance Rights Plan (Continued)

#### *CEO's performance rights plan (Continued)*

The details of the CEO's performance rights granted are shown below:

Exercise price	–
Vesting condition	5-year service and a liquidity event
Vesting period	8 June 2017 to 7 June 2022
Expiry date	7 June 2032

On 27 May 2021, the Board of directors has determined that as a good leaver, all of Dr Minshen Zhu, the CEO's unvested performance rights, being 60,160 Performance Rights (equivalent to 120,320,000 Shares upon the full exercise of such rights), have not lapsed and all Vesting Conditions in respect of such rights are deemed to have been satisfied, pursuant to the Plan Rules.

#### *Certain Council and Board members' performance rights plan (the "Council and Board members' performance rights plan")*

The Council and Board members performance rights plan became effective in April 2018 and, unless otherwise cancelled or amended, will remain in force for 15 years from that date.

Provided that the participants remain a council member or non-executive director of the Company and the Company has not taken steps to remove them from that role on the applicable vesting dates (the first being within 6 months, on 12 November 2018) and the listing of the Company, the performance rights will vest.

There is no exercise price payable by the participants. Performance rights do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The details of the performance rights granted are shown below:

Exercise price	–
Vesting condition	Remained employment of the same role and the Listing
Dates of vesting	12 November 2018, 33% of award
	12 November 2019, 33% of award
	12 November 2020, 33% of award
Expiry date	19 April 2033

## 17. SHARE-BASED PAYMENTS (Continued)

### Pre-IPO Performance Rights Plan (Continued)

#### *CEO's performance rights plan (Continued)*

The following shares were outstanding under the Pre-IPO Plan during the Reporting Period:

	For the six month ended			
	2022		2021	
	Weighted average exercise price HK\$ per share	Number of rights	Weighted average exercise price HK\$ per share	Number of rights
At 1 July	-	127,976,000	-	131,038,000
Exercised	-	-	-	(3,062,000)
At 31 December	-	127,976,000	-	127,976,000
Weighted average exercise period		10 years		11 years
Exercisable as at end of the period		127,976,000		127,976,000

No share options have been exercised, and no share option has been granted, cancelled or lapsed during the Reporting Period.

The fair value of the CEO's performance rights as at the measurement date is AUD\$2,298,000 and the fair value of the Certain Council and Board members' performance rights as at the measurement date is AUD\$800,000. The following table lists the inputs to the model used for the Pre-IPO Plan:

	2018
Adjusted total value of the ordinary shares of the Company (AUD\$'000)	89,914 – 120,920
Present value of the projected dividends (AUD\$'000)	12,849 – 120,920

The expected life of the performance rights is based on the historical data over the past years and is not necessarily indicative of the exercise patterns that may occur. No other feature of the performance rights granted was incorporated into the measurement of fair value.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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## 17. SHARE-BASED PAYMENTS (Continued)

### Post-IPO Schemes

#### Share Option Scheme

The Share Option Scheme was adopted under written resolutions of the Board of Directors passed on 18 April 2018.

#### Employee Share Options Plan

On 18 July 2018, 25,781,938 ordinary shares had been granted to one former director, the CEO and a total of 40 employees of the Group under this plan, including Ms. Sumeng Cao, being the then Executive Director of the Company. The grant of the share options to Ms. Sumeng Cao would not result in the shares issued and to be issued upon exercise of all the share options already granted and to be granted to her, collectively in the 12-month period in aggregate over 0.1% of the shares in issue or having an aggregate value, based on the closing price of the shares at the date of grant, in excess of HK\$5 million. The share options granted to Ms. Sumeng Cao lapsed on 10 December 2021.

The details of the share options granted are shown below:

Exercise price	HK\$0.560
Vesting condition	Services of the employees
Dates of vesting	17 July 2019, 33% of award
	17 July 2020, 33% of award
	17 July 2021, 33% of award
Expiry date	17 July 2028

The following shares were outstanding under the Employee Share Options Plan during the Reporting Period:

	For the six month ended			
	2022		2021	
	Weighted average exercise price HK\$ per share	Number of rights	Weighted average exercise price HK\$ per share	Number of rights
At 1 July	0.56	15,660,714	0.56	18,559,888
Granted during the period	-	-	-	-
Lapsed	-	(569,481)	-	(1,294,274)
Exercised	-	-	-	-
At 31 December	0.56	15,091,233	0.56	17,265,614
Weighted average exercise period		6 years		7 years
Exercisable as at end of the period		15,091,233		17,265,614

No share options were exercised during the Reporting Period (2021: nil).

## 17. SHARE-BASED PAYMENTS (Continued)

### Post-IPO Schemes (Continued)

#### Share Option Scheme (Continued)

##### Employee Share Options Plan (Continued)

The fair value of the share-based payments in relation to the Employee Share Options Plan was estimated as at the date of grant using Black-Scholes model. The fair value of the Share Option Scheme as at the measurement date is AUD\$843,000. The following table lists the inputs to the model used for the Share Option Scheme:

	2019
Dividend yield (%)	1.41%
Expected volatility (%)	50 – 60
Risk-free interest rate (%)	2.08
Expected life of options (year)	3.8
Weighted average share price (HK\$ per share)	0.54

##### Agent Share Options Plan

On 11 November 2021, 48,600,000 options, each representing the right to subscribe for one share, had been granted to a total of 11 third-party agents who supply student recruitment and education consultancy services to the Company under this plan.

The details of the options granted are shown below:

Exercise price	HK\$0.200
Vesting condition	Performance targets being satisfied
Dates of vesting	16 January 2023, 30% of award 16 January 2024, 30% of award 16 January 2025, 40% of award
Expiry date	10 November 2031

The following shares were outstanding under the Agent Share Options Plan during the Reporting Period:

	For the six month ended			
	2022		2021	
	Weighted average exercise price HK\$ per share	Number of rights	Weighted average exercise price HK\$ per share	Number of rights
At 1 July	0.2	28,900,000	-	-
Granted during the period	-	-	0.2	48,600,000
Lapsed	-	-	-	(19,700,000)
Exercised	-	-	-	-
At 31 December	0.2	28,900,000	0.2	28,900,000
Weighted average exercise period		9 years		10 years
Exercisable as at end of the year		-		-



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

## 17. SHARE-BASED PAYMENTS (Continued)

### Post-IPO Schemes (Continued)

#### Share Option Scheme (Continued)

##### Agent Share Options Plan (Continued)

The fair value of the share-based payments in relation to the Agent Share Options plan was estimated as at the date of grant using Black-Scholes model. The fair value of the Agent Share Option Scheme as at the measurement date is AUD\$248,000. The following table lists the inputs to the model used for the Agent Share Options:

	2022
Dividend yield (%)	1.41%
Expected volatility (%)	50 – 60
Risk-free interest rate (%)	2.08
Expected life of options (year)	4
Weighted average share price (HK\$ per share)	0.16

#### Share Award Scheme

The Share Award Scheme was adopted under written resolutions of the Board of Directors passed on 23 October 2018. The aggregate number of Shares awarded by the Board of Directors under the Scheme shall not exceed 1.5% of the total number of the issued shares as at the adoption date of the Share Award Scheme (the "Adoption Date"), being 38,828,220 Shares. On 28 February 2019, 12,000,000 awarded shares had been granted to one director and one alternate director of the Company under this plan for nil consideration, including (i) Ms. Rongning Xu, being the executive Director appointed on 21 March 2022, and (ii) Ms. Sumeng Cao, being the then Executive Director of the Company. The 12,000,000 Awarded Shares represent 0.46% of the total number of issued Shares as at the Adoption Date. The awarded shares granted to Ms. Sumeng Cao lapsed on 10 December 2021.

On 24 May 2019, 19,000,000 awarded shares had been granted to four employees of the Group under this plan for nil consideration. The 19,000,000 awarded shares represent approximately 0.73% of the total number of issued Shares as at the Adoption Date. Based on the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on 24 May 2019 (being the date of the Grant), the aggregate market value of the awarded shares granted under the grant amounts to approximately HK\$5.04 million.

The details of the awarded shares granted are shown below:

Grant date	28 February 2019	24 May 2019
Exercise price	–	–
Vesting condition	Services of employees and remained employed for management positions	Services of employees and remained employed for management positions
Vesting period	28 February 2019 to 27 February 2024	24 May 2019 to 23 May 2024
Expiry date	27 February 2029	23 May 2029

## 17. SHARE-BASED PAYMENTS (Continued)

### Post-IPO Schemes (Continued)

#### Share Award Scheme (Continued)

The following shares were outstanding under the Share Award Scheme during the Reporting Period:

	2022		2021	
	Weighted average exercise price AUD\$ & HK\$ per share	Number of rights	Weighted average exercise price AUD\$ & HK\$ per share	Number of rights
At 1 July	-	25,000,000	-	31,000,000
Granted during the period	-	-	-	-
Lapsed	-	-	-	6,000,000
Exercised	-	-	-	-
At 31 December	-	25,000,000	-	25,000,000
Weighted average exercise period		7 years		8 years
Exercisable as at end of the period		-		-

The fair value of the share-based payments in relation to the Share Award Scheme is calculated as the value of the ordinary shares in the Group less the present value of the projected dividends over the expected term of the awards. The fair value of the Share Award Scheme as at the measurement date is AUD\$1,633,000. The following table lists the inputs to the model used for the Share Award Scheme:

	2018
Adjusted value of the ordinary shares of the Company per share (AUD\$)	0.049 – 0.065
Present value of the projected dividends per share (AUD\$)	0.002

The Group recognised share-based payments of AUD\$191,000 (for the six months ended 31 December 2021: AUD\$56,000) during the six months ended 31 December 2022.

As at 31 December 2022, the Group had 196,967,233 shares outstanding under the various schemes mentioned above. The exercise in full of the outstanding performance rights would, under the present capital structure of the Group, result in the issue of 36,556,000 additional ordinary shares of the Group.

## 18. COMMITMENTS

At the end of the Reporting Period, the Group did not have any significant commitments.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 19. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions, arrangements and balances detailed elsewhere in the interim condensed consolidated financial statements, the Group had the following transaction with a related party during the Reporting Period:

During the six months ended 31 December 2022, the Group used nil (six months ended 31 December 2021: AUD\$5,508) of the service allowance from PwC Australia.

- (b) Compensation of key management personnel of the Group:

	Six months ended 31 December	
	2022 (unaudited) AUD\$'000	2021 (unaudited) AUD\$'000
Fees	415	317
Other emoluments:		
Salaries	212	529
Share-based payment	75	(175)
Pension scheme contributions	53	61
	340	415
	755	732

- (c) Amounts to related parties of the directors totaling AUD\$125,000 were paid during the period for administrative support services (2021: AUD\$144,000). All transactions were undertaken on an arm's length basis.

### 20. FINANCIAL INSTRUMENTS BY CATEGORY

	31 December 2022 (unaudited) AUD\$'000	30 June 2022 (audited) AUD\$'000
<b>Financial assets at amortised cost</b>		
Trade receivables	627	550
Financial assets included in deposits and other receivables	2,702	2,344
Cash and cash equivalents	36,316	33,225
	39,645	36,119
<b>Financial liabilities at amortised cost</b>		
Trade payables	2,255	2,022
Financial liabilities included in other payables and accruals	1,147	930
	3,402	2,952
<b>Financial liabilities at fair value</b>		
Contingent considerations on acquisition	-	543
	3,402	3,495

### 21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

At the end of the Reporting Period, the carrying amounts of the Group's financial assets and financial liabilities reasonably approximated to their fair values.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, trade payables, financial assets included in prepayments, deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely because the maturities are short term or there are no fixed terms of repayment of these instruments or the effect of discounting is not material.

### 22. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the Reporting Period.

### 23. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 27 February 2023.

# GLOSSARY

“ACCA”	Association of Chartered and Certified Accountants
“Alliance Agreement”	the alliance agreement dated 27 May 2016 entered into between the Company and PwC Australia
“AQF”	the Australian Qualifications Framework, which specifies the standards for educational qualifications in Australia
“AUD\$”	Australian dollars, the lawful currency of Australia
“Audit Committee”	the audit committee of the Board
“Australia”	the Commonwealth of Australia
“award”	a qualification under levels 1 to 10 of the AQF
“Awarded Share(s)”	such number of rights awarded by the Board to acquire Shares subject to the Share Award Scheme rules, where each Awarded Share represents the right to acquire one Share
“Billion Glory”	Billion Glory Group Holdings Limited 兆隆集團控股有限公司, a company incorporated under the laws of Hong Kong with limited liability on 8 June 2016, which is wholly-owned by Mr. Yang
“Board”	the board of Directors
“Business School”	Australian National Institute of Management and Commerce, (formerly Sydney City School of Business), as the name adopted for the Company’s academic division covering higher education courses in the field of Management and Commerce
“CAANZ”	Chartered Accountants Australia and New Zealand
“CG Code”	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this report and for geographical reference only, except where the context requires, does not include Hong Kong, Macau and Taiwan

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “Institute”, “TOP”, “we”, “us” or “our”	Top Education Group Ltd (ACN 098 139 176) 澳洲成峰高教集團有限公司, a public company registered in New South Wales, Australia with limited liability on 2 October 2001, with trading name as Australian National Institute of Management and Commerce and Top Education Institute
“Council”	the Council of Australian National Institute of Management and Commerce/Top Education Institute
“course”	a program of study that will confer an award upon completion
“CPA Australia”	CPA Australia Ltd
“Director(s)”	the director(s) of the Company
“Dr. Zhu”	Dr. Minshen Zhu 祝敏申 (deceased), formerly an executive Director, the chairman of the Board and the chief executive officer
“EFTSL”	equivalent full-time student load, which is a measurement of student enrolment at an institution calculated by dividing the total number of units taken by students in a given year by the average number of units a single full-time student should take in a year
“Employee”	<p>(a) any employee (including without limitation any executive Director) of the Company;</p> <p>(b) any non-executive Director (including independent non-executive Directors);</p> <p>(c) any member of the Council; and</p> <p>(d) any consultant of the Company,</p> <p>excluding any employee who is resident in a place where the award of Awarded Shares and/or the vesting of Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Committee or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such employee</p>

## GLOSSARY

“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“higher education”	studies in pursuit of a qualification under levels 5 to 10 of the AQF, including a diploma, advanced diploma, associate degree, bachelor degree, graduate certificate, graduate diploma, master degree and doctoral degree
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Law School”	Sydney City School of Law, as the name adopted for the Company to provide degree courses in law
“Listing”	the listing of our Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Minsheng Development”	Minsheng Education Development Company Limited, a direct wholly-owned subsidiary of Minsheng Education Group.
“Minsheng Education Group”	Minsheng Education Group Company Limited(民生教育集團有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 13 December 2005, listed on the Main Board of the Stock Exchange on 22 March 2017 with Stock Code 1569.
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“Mr. Lee”	Amen Kwai Ping Lee 李桂平, a non-executive Director
“Mr. Yang”	Qingquan Yang 楊清泉

“Nomination Committee”	the nomination committee of the Board
“NSW LPAB”	the Legal Profession Admission Board, New South Wales
“Pre-IPO Performance Right(s)”	a performance right under the Pre-IPO Performance Rights Plan
“Pre-IPO Performance Rights Plan”	the pre-IPO performance rights plan conditionally adopted by the Board on 8 June 2017, a summary of the principal terms of which is set out in the section headed “Appendix IV – E. Pre-IPO Performance Rights Plan” in the prospectus issued on 27 April 2018
“Prospectus”	the prospectus of the Company dated 27 April 2018
“PwC Australia”	The Australian partnership of PricewaterhouseCoopers (ABN 52 780 433 757), Australia, a member of the global network of PricewaterhouseCoopers firms, each of which is a separate and independent legal entity
“PwC Nominees”	PricewaterhouseCoopers Nominees (A.C.T.) Pty Ltd (ACN 008 474 397), a company registered in Australian Capital Territory, Australia with limited liability on 29 August 1969, which is owned as to 50% by PricewaterhouseCoopers Nominees (N.S.W.) Pty Ltd and 50% by PricewaterhouseCoopers Nominees (Victoria) Pty Ltd, a Shareholder
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the period from 1 July 2022 to 31 December 2022
“SAA”	Self-Accrediting Authority
“SCOTS”	Scots English College Pty Ltd, a private education institution established in Australia providing English language courses
“Securities and Futures Ordinance” or “SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) in the capital of the Company
“Share Award Scheme”	the post-IPO share award scheme conditionally adopted by the Company on 23 October 2018, the principal terms of which are set out in the announcement dated 23 October 2018



## GLOSSARY

“Share Option Scheme”	the post-IPO share option scheme conditionally adopted by the Company on 18 April 2018, the principal terms of which are set out in the section headed “Appendix IV – F. Share Option Scheme” in the Prospectus
“share split”	a share split on 24 April 2018 pursuant to which each Share was subdivided and designated as 2,000 fully paid Shares in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“TEQSA”	the Tertiary Education Quality and Standards Agency in Australia established under the Tertiary Education Quality and Standards Agency Act 2011
“Tristar United”	Tristar United Investment Limited, a company incorporated under the laws of New Zealand with limited liability on 12 November 2001, and is a Shareholder
“Trust Deed”	a trust deed dated 23 October 2018 entered into between the Company and the Trustee (as restated, supplemented and amended from time to time)
“Trustee”	Pacific Custodians Pty Ltd (ACN 009 682 866) (which is independent of and not connected with the Company) and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“Xinjiang Guoli”	Xinjiang Guoli Minsheng Equity Investment Co., Ltd. (新疆國力民生股權投資有限公司), a company established under the laws of the PRC with limited liability on 6 November 2000, and is a substantial Shareholder