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If you are in any doubt as to any aspect of this circular or the appropriate course of action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Top Education Group Ltd, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the licensed securities dealer, registered institution in securities, bank manager, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) PROPOSED OFF-MARKET SHARE BUY-BACK;
(2) CONNECTED TRANSACTION;
AND
(3) NOTICE OF EGM**

Financial Adviser to the Company



SOMERLEY CAPITAL LIMITED

**Independent Financial Adviser to the Listing Rules IBC,
the Takeovers Code IBC and the Independent Shareholders**

ALTUS CAPITAL LIMITED

Capitalised terms used on this cover page shall have the same meanings as those defined in this circular, unless the context otherwise requires.

A letter from the Board is set out on pages 6 to 20 of this circular. A letter from the Listing Rules IBC is set out on pages 21 to 22 of this circular. A letter from the Takeovers Code IBC is set out on pages 23 to 24 of this circular. A letter from the Independent Financial Adviser, containing its advice and recommendation to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders, is set out on pages 25 to 44 of this circular.

The notice convening the EGM to be held at Level 3, Yerrabingin House, 3 Central Avenue, Eveleigh, New South Wales 2015, Sydney, Australia and through online access by visiting the website at <https://meetings.computershare.com/MD6LVAC> on Wednesday, 2 July 2025 at 12:00 p.m. (Hong Kong time) / 2:00 p.m. (Sydney time) is set out on pages V-1 to V-4 of this circular.

Whether or not you are able to attend the EGM physically, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 12:00 p.m. (Hong Kong time) on Monday, 30 June 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting (whether physically or by means of electronic facilities) at the EGM (or any adjournment thereof) if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<https://www.top.edu.au>).

CONTENTS

	<i>Page</i>
Guidance for the EGM	ii
Definitions	1
Letter from the Board	6
Letter from the Listing Rules IBC	21
Letter from the Takeovers Code IBC	23
Letter from the Independent Financial Adviser	25
Appendix I – Financial Information of the Group	I-1
Appendix II – General Information	II-1
Appendix III – Independent Expert Report	III-1
Appendix IV – Report from the Financial Adviser	IV-1
Appendix V – Notice of EGM	V-1

GUIDANCE FOR THE EGM

HYBRID EGM

The EGM will be in the form of a hybrid meeting. In addition to the traditional physical attendance at the EGM at Level 3, Yerrabingin House, 3 Central Avenue, Eveleigh, New South Wales 2015, Sydney, Australia, Shareholders have the option of attending, participating and voting in the EGM through online access by visiting the website at <https://meetings.computershare.com/MD6LVAC> (the “**Online Platform**”). Shareholders participating in the EGM using the Online Platform will also be counted towards the quorum and he/she will be able to cast votes and submit questions relevant to the proposed resolutions through the Online Platform.

ATTENDING THE EGM BY MEANS OF ELECTRONIC FACILITIES

Shareholders attending the EGM using the Online Platform are expected to have a reliable and stable internet connection that can support live streaming and be able to follow the EGM proceedings in order to cast the votes and submit questions online. If for any reasons the internet connection is lost or interrupted, it may affect the ability of the Shareholders to follow the EGM proceedings. Any missed contents as a result of connection issues arise from the Shareholders will not be repeated.

Each set of Shareholder login details can be used on one electronic device (either smartphone, tablet device or computer) at a time only. If Shareholders experience any technical difficulties or require assistance while using the Online Platform, please contact the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited (“**Computershare**”) at (852) 2862 8555 from 9:00 a.m. (Hong Kong time) until the end of the EGM (Hong Kong time) on the date of the EGM. Please note that Shareholders’ votes on the proposed resolutions cannot be recorded at, or taken by, Computershare’s service hotline. In the event that Shareholders have any concerns or issues attending the physical EGM or using the Online Platform, Shareholders are encouraged to appoint the Chairperson of the EGM as his/her proxy to exercise his/her voting rights.

The Online Platform will be open to registered Shareholders (the “**Registered Shareholders**”) and non-registered Shareholders (“**Non-Registered Shareholders**”) (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the EGM and can be accessed from any location with connection to the internet with a smartphone, tablet device or computer.

Login details for Registered Shareholders: Details regarding the arrangements of the EGM, including login details to access the Online Platform and online voting, are included in the Company’s notification letter to Registered Shareholders to be dispatched on Friday, 30 May 2025.

Login details for Non-Registered Shareholders: Non-Registered Shareholders who wish to attend and participate in the EGM using the Online Platform should liaise with his/her bank(s), broker(s), custodian(s), nominee(s) or HKSCC Nominees Limited through which his/her Shares are held (collectively, the “**Intermediaries**”) and provide his/her email

GUIDANCE FOR THE EGM

addresses to the Intermediaries. Details regarding the arrangements of the EGM, including login details to access the Online Platform and online voting, will be sent by Computershare to the email addresses provided by the Non-Registered Shareholders.

Our step-by-step “Online Meeting User Guide” can be found on the Company’s website (<https://www.top.edu.au/investor-relations>) under the “Investor Relations” section.

QUESTIONS RELATING TO THE ARRANGEMENTS OF THE HYBRID EGM

For enquiries, please contact Computershare in person, by phone or online form:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre 183 Queen’s Road East Wanchai, Hong Kong
Telephone: (852) 2862 8555
Office hours: 9:00 a.m. – 4:30 p.m. (Hong Kong time), Mondays to Fridays, excluding
Hong Kong public holidays
Website: www.computershare.com/hk/contact

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Alliance Agreement”	the alliance agreement dated 27 May 2016 entered into between the Company and PwC Australia, under which PwC Australia agreed to, among others, provide a variety of services to help expand the Group’s academic and non-academic programs
“Announcement”	the announcement of the Company dated 7 April 2025 in relation to, among other things, the Share Buy-Back
“ASIC”	Australian Securities and Investments Commission
“ASIC Regulatory Guide 110”	the Regulatory Guide 110 <i>Share buy-backs</i> issued by ASIC
“Associate(s)”	has the meaning given in Division 2 of Part 1.2 of the Australian Corporations Act (as if section 12(1) of the Australian Corporations Act included a reference to the Share Buy-Back Agreement and the Company was the designated body)
“AUD”	Australian dollars, the lawful currency of Australia
“Australia”	the Commonwealth of Australia
“Australian Corporations Act”	the <i>Corporations Act 2001</i> (Cth)
“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, which is wholly-owned by Mr. Qingquan Yang
“Board”	the board of Directors
“Business Day”	a day that is not a Saturday, Sunday, bank holiday or public holiday in Sydney, Australia or Hong Kong
“Buy-Back Shares”	all the 264,708,000 Shares held by PwC Nominees (as the legal owner) on bare trust for PwC Australia (as the beneficial owner), representing approximately 10.86% of the total issued Shares as at the Latest Practicable Date

DEFINITIONS

“Company”	Top Education Group Ltd (ACN 098 139 176) (澳洲成峰高教集團有限公司) (stock code: 1752), a public company registered in New South Wales, Australia with limited liability, with trading name as Australian National Institute of Management and Commerce and Top Education Institute
“Completion”	completion of the Share Buy-Back in accordance with the terms and conditions of the Share Buy-Back Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	approximately HK\$0.0425 per Buy-Back Share, being the total Consideration of HK\$11,243,168.30 (equivalent to approximately AUD2,248,634)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Level 3, Yerrabingin House, 3 Central Avenue, Eveleigh, New South Wales 2015, Sydney, Australia on Wednesday, 2 July 2025 at 12:00 p.m. (Hong Kong time) / 2:00 p.m. (Sydney time), to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages V-1 to V-4 of this circular, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any of his delegates
“Financial Adviser” or “Somerville Capital”	Somerville Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in respect of the Share Buy-Back
“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“Guoli Minsheng”	Guoli Minsheng Equity Investment Co., Ltd (福建國力民生科技發展有限公司), a company established under the laws of the People’s Republic of China with limited liability, and is a substantial shareholder of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Expert”	Moore Australia Corporate Finance (WA) Pty Ltd, an independent Australian licenced financial services firm engaged by the Company, through the Listing Rules IBC, to prepare a report containing a valuation of the Buy-Back Shares and the opinion of the independent expert on whether the Share Buy-Back is fair and reasonable to the Independent Shareholders in accordance with guidance under ASIC Regulatory Guide 110
“Independent Expert Report”	the report prepared by the Independent Expert containing a valuation of the Buy-Back Shares and the opinion of the Independent Expert on whether the Share Buy-Back is fair and reasonable to the Independent Shareholders
“Independent Financial Adviser” or “Altus Capital”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to advise the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in respect of the Share Buy-Back in accordance with the Listing Rules, the Takeovers Code and the Share Buy-Backs Code
“Independent Shareholder(s)”	the Shareholder(s), other than the Interested Shareholders
“Interested Shareholder(s)”	(i) PwC Nominees (and all its Associates and all parties acting in concert with it); (ii) PwC Australia (and all parties acting in concert with it); and (iii) any Shareholder who has a material interest in the Share Buy-Back which is different from the interests of all other Shareholders
“Last Trading Day”	7 April 2025, being the last trading day of the Shares on the Stock Exchange prior to the date of the Announcement
“Latest Practicable Date”	27 May 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Listing Rules IBC”	an independent committee of the Board, comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Buy-Back (namely, Professor Steven Schwartz, Mr. Tianye Wang, Mr. Jonathan Richard O’Dea and Professor Dominic Robert Beresford Verity), established in accordance with the Listing Rules for the purpose of advising the Independent Shareholders in respect of the terms of the Share Buy-Back
“Long Stop Date”	30 September 2025 (or such other date as PwC Nominees and the Company may agree in writing pursuant to the Share Buy-Back Agreement)
“NAV”	consolidated net asset value, excluding non-controlling interests
“PwC Australia”	the Australian partnership of PricewaterhouseCoopers (ABN 52 780 433 757), or each partner (as the context requires)
“PwC Group”	PwC Nominees (as the legal owner of the Buy-Back Shares on bare trust for PwC Australia) (and all its Associates and all parties acting in concert with it) and PwC Australia (as the beneficial owner of the Buy-Back Shares) (and all parties acting in concert with it)
“PwC Nominees”	PricewaterhouseCoopers Nominees (A.C.T.) Pty Ltd (ACN 008 474 397), a company registered in Australian Capital Territory, Australia with limited liability, which is owned as to 50% by PricewaterhouseCoopers Nominees (N.S.W.) Pty Ltd and as to 50% by PricewaterhouseCoopers Nominees (Victoria) Pty Ltd
“Relevant Period”	the period commencing six months preceding the date of the Announcement (i.e. 7 October 2024) and up to and including the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	share(s) in the capital of the Company
“Share Buy-Back”	the sale and purchase of the Buy-Back Shares by the Company from PwC Nominees (as bare trustee for PwC Australia) pursuant to the terms and conditions of the Share Buy-Back Agreement
“Share Buy-Back Agreement”	the share buy-back agreement dated 7 April 2025 and entered into between the Company and PwC Nominees (as bare trustee for PwC Australia) in relation to the Share Buy-Back
“Share Buy-Backs Code”	the Hong Kong Code on Share Buy-Backs
“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 under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Takeovers Code IBC”	an independent committee of the Board, comprising all the non-executive Directors who have no direct or indirect interest in the Share Buy-Back (namely, Mr. Yi Dai, Mr. Edward Chiang, Professor Steven Schwartz, Mr. Tianye Wang, Mr. Jonathan Richard O’Dea and Professor Dominic Robert Beresford Verity), established in accordance with the Takeovers Code and the Share Buy-Backs Code for the purpose of advising the Independent Shareholders in respect of the terms of the Share Buy-Back
“TEQSA”	the Tertiary Education Quality and Standards Agency in Australia established under the Tertiary Education Quality and Standards Agency Act 2011
“Yang Group”	Mr. Qingquan Yang, Ms. Shuling Chen (being the spouse of Mr. Qingquan Yang) and Billion Glory (being a company wholly-owned by Mr. Qingquan Yang)
“%”	per cent.

This circular contains translations between HK\$ and AUD amounts at AUD1.00 to HK\$5.00, which are for illustrative purposes only. The translations should not be taken as a representation that HK\$ could actually be converted into AUD (or vice versa) at that rate or at all.

References to times and dates in this circular are to Hong Kong times and dates.

LETTER FROM THE BOARD



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)

Executive Directors:

Dr. Rongning XU
Ms. Xing Shi HUANG (*Deputy Chairperson*)
Mr. Qingquan YANG

Non-executive Directors:

Dr. Amen Kwai Ping LEE (*Chairperson*)
Mr. Yi DAI
Mr. Edward CHIANG

Independent Non-executive Directors:

Professor Steven SCHWARTZ
Mr. Tianye WANG
Mr. Jonathan Richard O'DEA
Professor Dominic Robert Beresford VERITY

*Registered office, principal place of
business and head office in Australia:*

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

*Principal place of business in
Hong Kong:*

Room 1916, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

30 May 2025

To the Shareholders

Dear Sir/Madam,

**(1) PROPOSED OFF-MARKET SHARE BUY-BACK;
(2) CONNECTED TRANSACTION;
AND
(3) NOTICE OF EGM**

Reference is made to the Announcement in relation to, among other things, the Share Buy-Back.

The purpose of this circular is to provide you with, among other things (i) details of the Share Buy-Back Agreement and the transactions contemplated thereunder; (ii) a letter from the Listing Rules IBC giving its recommendation to the Independent Shareholders in respect of the Share Buy-Back; (iii) a letter from the Takeovers Code IBC giving its recommendation to the Independent Shareholders in respect of the Share Buy-Back; (iv) a letter from the Independent Financial Adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in respect of the Share Buy-Back; (v) a report from the Independent Expert on the valuation of the Buy-Back Shares; (vi) a report on the qualifications of the Independent Expert and the valuation of the Buy-Back Shares by the Financial Adviser, as required under Rule 11.1(b) of the Takeovers Code; (vii) a notice of

LETTER FROM THE BOARD

the EGM; and (viii) other information as required under the Listing Rules, the Takeovers Code, the Share Buy-Backs Code, the Australian Corporations Act and ASIC Regulatory Guide 110.

INTRODUCTION

On 7 April 2025 (after trading hours), the Company and PwC Nominees (as bare trustee for PwC Australia) entered into the Share Buy-Back Agreement, pursuant to which the Company has conditionally agreed to purchase, and PwC Nominees (as bare trustee for PwC Australia) has conditionally agreed to sell, the Buy-Back Shares, being all the 264,708,000 Shares held by PwC Nominees (as the legal owner) on bare trust for PwC Australia (as the beneficial owner), representing approximately 10.86% of the total issued Shares as at the Latest Practicable Date, at the Consideration of approximately HK\$0.0425 per Buy-Back Share, being the total Consideration of HK\$11,243,168.30 (equivalent to approximately AUD2,248,634).

Upon Completion, the Buy-Back Shares will be cancelled and all rights attaching thereto will cease with immediate effect, and the total number of issued Shares will then be reduced from 2,436,394,000 Shares to 2,171,686,000 Shares.

THE SHARE BUY-BACK AGREEMENT

Date

7 April 2025

Parties

- (a) The Company; and
- (b) PwC Nominees (as bare trustee for PwC Australia).

As at the Latest Practicable Date, PwC Nominees and PwC Australia were respectively the legal owner and the beneficial owner of 264,708,000 Shares, representing approximately 10.86% of the total issued Shares. As substantial shareholders of the Company, they are connected persons of the Company pursuant to Chapter 14A of the Listing Rules.

Further information of the PwC Group is disclosed in the section headed "INFORMATION ON THE PARTIES – The PwC Group" below.

The Buy-Back Shares

The Buy-Back Shares constitute the entire shareholding of the PwC Group in the Company, being 264,708,000 Shares held by PwC Nominees (as the legal owner) on bare trust for PwC Australia (as the beneficial owner), representing approximately 10.86% of the total issued Shares as at the Latest Practicable Date.

The Consideration

The original purchase cost of the Buy-Back Shares to the PwC Group was AUD5,500,000 (equivalent to approximately HK\$27,500,000), of which, (i) AUD2,500,000 (equivalent to approximately HK\$12,500,000) was in cash and (ii) AUD3,000,000 (equivalent to approximately HK\$15,000,000) was service allowance credit for the Company to use and apply for professional services provided by PwC Australia under the Alliance Agreement. The cost per Share was approximately AUD0.0208 (equivalent to approximately HK\$0.1040) per Share.

LETTER FROM THE BOARD

The Consideration is approximately HK\$0.0425 per Buy-Back Share, being the total Consideration of HK\$11,243,168.30 (equivalent to approximately AUD2,248,634), and represents:

- (a) a discount of approximately 25.4% to the closing price of HK\$0.057 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 30.3% to the closing price of HK\$0.061 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 27.2% to the average closing price of approximately HK\$0.0584 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 27.2% to the average closing price of approximately HK\$0.0584 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a discount of approximately 27.8% to the average closing price of approximately HK\$0.0588 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a discount of approximately 31.8% to the average closing price of approximately HK\$0.0624 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (g) a discount of approximately 33.7% to the average closing price of approximately HK\$0.0641 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (h) a discount of approximately 34.7% to the average closing price of approximately HK\$0.0651 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 180 consecutive trading days immediately prior to and including the Last Trading Day;
- (i) a discount of approximately 58.3% to the audited NAV per Share attributable to Shareholders of approximately AUD0.0204 per Share (equivalent to approximately HK\$0.1020 per Share) as at 30 June 2024, calculated based on the Company's audited NAV of approximately AUD49,716,000 (equivalent to approximately HK\$248,580,000) as at 30 June 2024 and 2,436,394,000 Shares then in issue; and
- (j) a discount of approximately 58.9% to the unaudited NAV per Share attributable to Shareholders of approximately AUD0.0207 per Share (equivalent to approximately HK\$0.1035 per Share) as at 31 December 2024, calculated based on the Company's unaudited NAV of approximately AUD50,334,000 (equivalent to approximately HK\$251,670,000) as at 31 December 2024 and 2,436,394,000 Shares then in issue.

LETTER FROM THE BOARD

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.0790 (equivalent to approximately AUD0.0158) each on 28 October 2024 and 31 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.0510 (equivalent to approximately AUD0.0102) on 22 May 2025.

The Consideration was determined after arm's length commercial negotiations between the Company and PwC Nominees, taking into account the movements in the market price of the Shares, the NAV of the Company, the prevailing market conditions and the portion of the agreed costs and expenses incurred or to be incurred by the Group in relation to the Share Buy-Back Agreement and the transactions contemplated thereunder to be borne equally by the Company and PwC Nominees.

The Consideration will be paid by the Company to PwC Nominees at Completion in cash by utilising the Group's internal resources.

As at the Latest Practicable Date, there was no outstanding declared but unpaid dividend in respect of the Shares. It is possible that the Company may make, declare and/or pay a dividend before Completion. If any such dividend is made, declared and/or paid, the Consideration will not be adjusted by an equivalent amount.

Conditions precedent

Completion is conditional upon the satisfaction (or waiver (if applicable)) of the following conditions on or before 5:00 p.m. (Sydney time) on the Long Stop Date:

- (a) the passing of a special resolution at the EGM by at least three-fourths of the votes cast on a poll by the Independent Shareholders approving the terms of the Share Buy-Back Agreement and the transactions contemplated thereunder, with no votes being cast in favour of the resolution by any Interested Shareholder and all Interested Shareholders abstaining from voting;
- (b) the Executive having approved the Share Buy-Back pursuant to Rule 2 of the Share Buy-Backs Code, and such approval remains in full force and effect, and any condition(s) to which such approval is/are subject to having been satisfied in all respects;
- (c) as at the date on which the last of the conditions (other than the condition set out in this paragraph (c)) is satisfied, all representations and warranties given by PwC Nominees and the Company as set out in the Share Buy-Back Agreement remaining true and accurate in all material respects, and there has been no breach of such representations and warranties, nor any facts or circumstances that may reasonably be expected to give rise to a breach of such representations and warranties, that will have a material adverse impact on Completion; and
- (d) as at the Business Day immediately following the date on which PwC Nominees is notified of the later of satisfaction of the conditions set out in paragraphs (a) and (b) occurs, the clearance granted by the independence office of PwC Australia as at the date of the Share Buy-Back Agreement for independence purposes (being that, subject to any change in circumstances between the date of the Share Buy-Back Agreement and Completion, neither the Share Buy-Back Agreement, the Share Buy-Back nor the participation of PwC Nominees or PwC Australia in the transaction contemplated in the Share Buy-Back Agreement will impair, or appear to impair, the independence of PwC Australia in respect of an audit or assurance client of PwC Australia, or any of such clients' related entities) has not been withdrawn by the independence office of PwC Australia.

LETTER FROM THE BOARD

Other than the conditions set out in paragraphs (a) to (b) above, a condition may only be waived if it is waived in writing by PwC Nominees and the Company, and will be effective only to the extent specifically set out in that waiver. The conditions set out in paragraphs (a) to (b) above may not be waived.

As at the Latest Practicable Date, none of the conditions above have been satisfied or waived.

If any of the conditions above has not been satisfied (or waived (if applicable)) on or before 5:00 p.m. (Sydney time) on the Long Stop Date, the Share Buy-Back Agreement shall terminate and shall be of no further force or effect, and no party shall have any claim against or liability to any other party for costs, damages, compensation or otherwise arising under any provision of, or in respect of the termination of, the Share Buy-Back Agreement, other than in respect of any pre-existing breach of the Share Buy-Back Agreement.

Completion

Completion shall take place on the date falling five Business Days from the date on which all of the conditions precedent under the Share Buy-Back Agreement have been satisfied (or waived (if applicable)) (or such other date as PwC Nominees and the Company may agree in writing pursuant to the Share Buy-Back Agreement).

Upon Completion, the Buy-Back Shares will be cancelled and all rights attaching thereto will cease with immediate effect, and the total number of issued Shares will then be reduced from 2,436,394,000 Shares to 2,171,686,000 Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, there were (i) 2,436,394,000 Shares in issue; (ii) performance rights granted but not yet exercised, lapsed or cancelled under the Pre-IPO Performance Rights Plan of the Company, which, upon exercise, are convertible into 124,914,000 Shares; (iii) share options granted and vested but not yet exercised, lapsed or cancelled under the Share Option Scheme of the Company, which, upon exercise, are convertible into 18,931,233 Shares; and (iv) share awards granted and vested but not yet exercised, lapsed or cancelled under the Share Award Scheme of the Company, which, upon exercise, are convertible into 25,000,000 Shares (items (ii), (iii) and (iv), collectively, the “**Share Rights**”). Other than as disclosed above, as at the Latest Practicable Date, there were no outstanding derivatives, warrants, options or securities which were convertible or exchangeable into Shares.

Assuming that none of the outstanding Share Rights have been exercised as at the Latest Practicable Date and there is no other change in the shareholding structure of the Company between the Latest Practicable Date and up to Completion, the following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon Completion, upon which the Buy-Back Shares will be cancelled:

LETTER FROM THE BOARD

	As at the Latest Practicable Date		Immediately upon Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
The PwC Group ^{Notes 1, 7}	264,708,000	10.86	–	–
Guoli Minsheng ^{Notes 2, 7}	351,180,000	14.41	351,180,000	16.17
Minsheng Education Group Company Limited ^{Notes 3, 7}	209,000,000	8.58	209,000,000	9.62
Tristar United Investment Limited ^{Note 7}	150,002,000	6.16	150,002,000	6.91
<i>Directors</i>				
Mr. Qingquan Yang/The Yang Group ^{Note 4}	365,764,000	15.01	365,764,000	16.84
Ms. Xing Shi Huang ^{Note 5}	228,506,000	9.38	228,506,000	10.52
Dr. Amen Kwai Ping Lee ^{Note 6}	150,302,000	6.17	150,302,000	6.92
Professor Steven Schwartz	3,872,000	0.16	3,872,000	0.18
Other Independent Shareholders	713,060,000	29.27	713,060,000	32.83
Total ^{Note 8}	2,436,394,000	100.00	2,171,686,000	100.00

Notes:

- PwC Nominees is the registered owner of the Buy-Back Shares and holds the Buy-Back Shares as 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.
- Mr. Jian Ying Hang and Mr. Qiu Wen Lu jointly hold approximately 55.09% in Guoli Minsheng and Guoli Minsheng directly holds 351,180,000 Shares. Accordingly, Mr. Jian Ying Hang and Mr. Qiu Wen Lu are deemed to be interested in 351,180,000 Shares held by Guoli Minsheng by virtue of the disclosure requirements of the SFO.
- Minsheng Education Group Company Limited (民生教育集團有限公司) (stock code: 1569) (“**Minsheng Education Group**”), is the sole shareholder of Minsheng Education Development Company Limited (“**Minsheng Education 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 Education Development by virtue of the disclosure requirements of the SFO.
- Mr. Qingquan Yang directly holds 153,862,000 Shares. Billion Glory, which is wholly-owned by Mr. Qingquan Yang, directly holds 211,902,000 Shares. Accordingly, Mr. Qingquan Yang is deemed to be interested in 211,902,000 Shares held by Billion Glory by virtue of the disclosure requirements of the SFO. Further, Ms. Shuling Chen, the spouse of Mr. Qingquan Yang, is deemed to be interested in the shareholding interests of Mr. Qingquan Yang by virtue of the disclosure requirements of the SFO.
- Ms. Xing Shi Huang is the widow of the late Dr. Minshen 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. Minshen Zhu under the Pre-IPO Performance Rights Plan of the Company. Such Shares and entitlement form part of Dr. Minshen Zhu’s estate. Pursuant to letters of administration granted by the Supreme Court of New South Wales on 24 January 2022, Ms. Xing Shi Huang was appointed as administrator of Dr. Minshen Zhu’s estate. As such, Ms. Xing Shi Huang is deemed to be interested in the 348,826,000 Shares within the meaning of Part XV of the SFO.
- Ms. Josephine Kam Shan Lam, the spouse of Dr. Amen Kwai Ping Lee, is deemed to be interested in the shareholding interests of Dr. Amen Kwai Ping Lee by virtue of the disclosure requirements of the SFO.
- The shareholding information of the Shareholders (other than the Directors) as at the Latest Practicable Date is based on the latest disclosure of interests notices filed by the relevant Shareholders pursuant to Part XV of the SFO.
- The numbers and percentages in the table may not add up due to rounding.

As illustrated above, following Completion, the Company will continue to maintain the public float requirements under Rule 8.08(1)(a) of the Listing Rules.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE SHARE BUY-BACK

Effect on Earnings per Share

The Company's basic earnings per Share after the completion of the Share Buy-Back (approximately AUD0.090 cents per Share) and diluted earnings per Share after the completion of the Share Buy-Back (approximately AUD0.084 cents per Share) as compared with the same for the year ended 30 June 2024 would be improved by approximately 12.4% (2024: AUD0.080 cents per Share) and 11.6% (2024: AUD0.075 cents per Share), respectively, assuming the Share Buy-Back had taken place on 1 July 2023 based on the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2024. The Group has been profitable and the enhancement in earnings per Share means each Shareholder will have a greater share of the Group's business return after the completion of the Share Buy-Back, which is beneficial to the remaining Shareholders.

Effect on NAV per Share

The NAV per Share attributable to the Shareholders after the completion of the Share Buy-Back (approximately AUD0.0221 per Share) as compared with the same as at 31 December 2024 would increase by approximately 7.2% (2024: AUD0.0207 per Share) assuming the Share Buy-Back had taken place on 31 December 2024 based on the unaudited consolidated statement of financial position of the Group as at 31 December 2024 (before related transaction costs and expenses), as the Buy-Back Price is at a discount to the NAV per Share. As such, the Share Buy-Back enhances the NAV per Share and also increases the proportionate shareholding of all the remaining Shareholders, which is beneficial to the remaining Shareholders.

Effect on Liabilities

As the Consideration will be paid by the Company to PwC Nominees at Completion in cash, the Share Buy-Back has no impact on the liabilities of the Group.

Effect on Working Capital

The total Consideration of HK\$11,243,168.30 (equivalent to approximately AUD2,248,634) constitutes approximately 4.83% of the Group's cash and cash equivalents as at 31 December 2024. The Group will remain to be in a healthy financial position with cash level sufficient to fund its operation following the Completion.

INFORMATION ON THE PARTIES

The Company

The Company is a company registered in New South Wales, Australia. The Group is principally engaged in the business of private higher education specialising in offering business and accounting courses that are recognised by major accounting bodies in Australia at an undergraduate and postgraduate level. The Company also offers a bachelor of laws degree that is fully accredited by the *NSW Legal Profession Admission Board*.

The following table sets out the key financial information for the six months ended 31 December 2023 and 2024, as well as the two years ended 30 June 2023 and 2024, extracted from the respective interim reports and annual reports of the Company:

LETTER FROM THE BOARD

	For the six months ended 31 December 2024 <i>AUD'000</i> <i>(unaudited)</i>	For the six months ended 31 December 2023 <i>AUD'000</i> <i>(unaudited)</i>	For the year ended 30 June 2024 <i>AUD'000</i> <i>(audited)</i>	For the year ended 30 June 2023 <i>AUD'000</i> <i>(audited)</i>
Revenue	16,016	13,745	29,041	26,848
Gross profit	6,619	5,676	12,757	11,792
Profit before tax	2,148	1,437	2,714	1,790
Profit after tax	1,553	1,035	1,910	1,088
Profit attributable to owners of the Company	1,592	1,040	1,917	1,113

The Group's revenue increased by approximately 16.5% from approximately AUD13.7 million for the six months ended 31 December 2023 to approximately AUD16.0 million for the six months ended 31 December 2024. The increase in revenue was mainly due to the increase in student enrolment and the increase in other service fees. Gross profit increased by approximately 16.6% from approximately AUD5.7 million for the six months ended 31 December 2023 to approximately AUD6.6 million for the six months ended 31 December 2024, and the gross profit margin remains stable at approximately 41.3% for the six months ended 31 December 2023 and 31 December 2024, respectively. The net profit attributable to owners of the Company increased by approximately 53.1% from approximately AUD1.0 million for the six months ended 31 December 2023 to approximately AUD1.6 million for the six months ended 31 December 2024.

The Group's revenue increased by approximately 8.2% from approximately AUD26.8 million for the year ended 30 June 2023 to approximately AUD29.0 million for the year ended 30 June 2024. The increase in revenue was primarily due to the increase of the Group's student enrolments as compared to the corresponding period in 2023. Tuition fee contributed over 92.9% of the Group's revenue while other service fee represented approximately 7.1% of the Group's revenue. Gross profit increased by approximately 8.2% from approximately AUD11.8 million for the year ended 30 June 2023 to approximately AUD12.8 million for the year ended 30 June 2024, and gross profit margin remains stable at approximately 43.9% for the years ended 30 June 2024 and 30 June 2023, respectively. The net profit attributable to owners of the Company increased by approximately 72.2% from approximately AUD1.1 million for the year ended 30 June 2023 to approximately AUD1.9 million for the year ended 30 June 2024.

As at 31 December 2024, the unaudited total assets of the Group amounted to approximately AUD78.7 million, which comprised (i) property, plant and equipment of approximately AUD7.9 million; (ii) right-of-use assets of approximately AUD10.0 million; (iii) cash and cash equivalents of approximately AUD46.6 million; and (iv) other assets of approximately AUD14.2 million in aggregate. The unaudited total liabilities of the Group amounted to approximately AUD28.0 million, which comprised (i) lease liabilities of approximately AUD13.8 million; (ii) other payables and accruals of approximately AUD4.9 million; and (iii) other liabilities of approximately AUD9.3 million in aggregate.

As at 30 June 2024, the total assets of the Group amounted to approximately AUD77.4 million, which comprised (i) property, plant and equipment of approximately AUD8.4 million; (ii) right-of-use assets of approximately AUD11.1 million; (iii) cash and cash equivalents of approximately AUD44.1 million; and (iv) other assets of approximately AUD13.8 million in aggregate. The total liabilities of the Group amounted to approximately AUD27.3 million, which comprised (i) lease liabilities of approximately AUD12.5 million; (ii) other payables and accruals of approximately AUD4.3 million; and (iii) other liabilities of approximately AUD10.5 million in aggregate.

LETTER FROM THE BOARD

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Company's dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval. Details of the final dividend of the year ended 30 June 2024 have been disclosed in the annual report of the Company.

The PwC Group

PwC Australia is a member of the global network of PricewaterhouseCoopers firms delivering audit, assurance, tax and consulting services, each of which is a separate and independent legal entity.

PwC Nominees is owned as to 50% by PricewaterhouseCoopers Nominees (N.S.W.) Pty Ltd and 50% by PricewaterhouseCoopers Nominees (Victoria) Pty Ltd. PwC Nominees is the registered owner of the Buy-Back Shares and holds the Buy-Back Shares as bare trustee for PwC Australia as the sole beneficiary of a trust under a trust arrangement between PwC Nominees and PwC Australia.

REASONS FOR AND BENEFITS OF THE SHARE BUY-BACK

The Company was approached by PwC Nominees (on behalf of PwC Australia), who expressed PwC Australia's intention to dispose of all of its shareholding in the Company. In arriving at the terms of the Share Buy-Back, the Board had taken into consideration the following factors:

- (a) the Consideration per Buy-Back Share represents (i) a discount of approximately 58.3% to the audited NAV per Share attributable to Shareholders of approximately AUD0.0204 per Share (equivalent to approximately HK\$0.1020 per Share) as at 30 June 2024, and (ii) a discount of approximately 58.9% to the unaudited NAV per Share attributable to Shareholders of approximately AUD0.0207 per Share (equivalent to approximately HK\$0.1035 per Share) as at 31 December 2024. It also represents discounts ranging from approximately 27.2% to 34.7% to the average closing prices of the Shares for up to 180 consecutive trading days immediately prior to and including the Last Trading Day. In light of the above, it is a good opportunity for the Company to enhance its NAV per Share and earnings per Share;
- (b) if the Buy-Back Shares, which represent approximately 10.86% of the total issued Shares, were to be sold by PwC Nominees to a third party who might not share the same vision as the Company's management, it might have a negative impact on the Group's future development. Given that the Share Buy-Back is expected to result in an increase on the Company's NAV per share, earnings per Share and the proportionate shareholding of all the remaining Shareholders, and that the Group has sufficient cash resources to conduct the Share Buy-Back, it is considered that the Share Buy-Back is preferred; and
- (c) the Share Buy-Back could mitigate the impact of a disposal of a significant number of Shares by a substantial Shareholder onto the market and minimise any potential significant market volatility which may be caused by such disposal.

The principal disadvantage of the Share Buy-Back is that it will result in a decrease of the Group's cash reserves, as the Consideration will be paid by the Company to PwC Nominees at Completion in cash. However, as at 31 December 2024, the Group had unaudited cash and cash equivalents of approximately AUD46.6 million, and the Consideration constitutes approximately 4.83% of such unaudited cash and cash equivalents.

LETTER FROM THE BOARD

Taking into account the current resources of the Group, as well as the future working capital requirements and capital expenditure of the Group, after payment of the Consideration, the Group will remain to be in a healthy financial position with cash level sufficient to fund its operation following Completion, and will not materially prejudice the Company's ability to pay its creditors.

In view of the above, the Directors (including (i) the members of the Listing Rules IBC, who have given their recommendation in the letter from the Listing Rules IBC after having considered the advice of the Independent Financial Adviser and the Independent Expert; and (ii) the members of the Takeovers Code IBC, who have given their recommendation in the letter from the Takeovers Code IBC after having considered the advice of the Independent Financial Adviser) consider that, although not in the ordinary and usual course of business of the Group, the terms of the Share Buy-Back are fair and reasonable and on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

ADDITIONAL DISCLOSURES

As at the Latest Practicable Date:

- (a) save for the Buy-Back Shares, none of PwC Nominees or PwC Australia (nor any party acting in concert with any of them) held, owned, controlled or directed any Shares, warrants, options or securities convertible into Shares, or derivatives in respect of the securities in the Company;
- (b) there was no irrevocable commitment to vote in favour of or against the Share Buy-Back Agreement and the transactions contemplated thereunder;
- (c) there was no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of the PwC Group which might be material to the Share Buy-Back;
- (d) there was no agreement or arrangement to which the Company, any of PwC Nominees or PwC Australia (and/or any party acting in concert with any of them) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Buy-Back;
- (e) none of PwC Nominees or PwC Australia (nor any party acting in concert with any of them) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; or
- (f) none of PwC Nominees or PwC Australia (nor any party acting in concert with any of them) has acquired or disposed of any voting rights of the Company or has dealt for value in any Shares, warrants, options or securities convertible into Shares, or derivatives in respect of the securities in the Company during the Relevant Period.

Other than the Share Buy-Back Agreement and the transactions contemplated thereunder, (i) there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Group to any of PwC Nominees and PwC Australia (and/or any party acting in concert with any of them) in connection with the Share Buy-Back; (ii) there is no other understanding, arrangement, agreement or special deal between the Group on the one hand, and any of PwC Nominees and PwC Australia (and/or any party acting in concert with any of them) on the other hand; and (iii) there is no other understanding, arrangement or agreement or special deal between (a) any Shareholder; and (b) the Company, its subsidiaries or associated companies.

LETTER FROM THE BOARD

IMPLICATIONS OF THE SHARE BUY-BACKS CODE, THE TAKEOVERS CODE, THE LISTING RULES AND THE AUSTRALIAN CORPORATIONS ACT

The Share Buy-Backs Code

The Share Buy-Back constitutes an off-market share buy-back by the Company under the Share Buy-Backs Code, which is subject to the approval by the Executive. The Company has made an application to the Executive for approval of the Share Buy-Back pursuant to Rule 2 of the Share Buy-Backs Code. The Executive's approval, if granted, will normally be conditional upon, among other things, approval of the Share Buy-Back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM.

The Takeovers Code

According to Rule 32 of the Takeovers Code, if as a result of the Share Buy-Back, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As at the Latest Practicable Date, the substantial Shareholders (other than the PwC Group) are (i) the Yang Group, which is interested in 365,764,000 Shares, representing approximately 15.01% of the total issued Shares; and (ii) Guoli Minsheng, which is interested in 351,180,000 Shares, representing approximately 14.41% of the total issued Shares. Immediately upon Completion (assuming there is no other change in the shareholding structure of the Company between the Latest Practicable Date and up to Completion), the Yang Group's interest in the Company will increase to approximately 16.84% of the reduced total issued Shares as a result of the Share Buy-Back; and (ii) Guoli Minsheng's interest in the Company will increase to approximately 16.17% of the reduced total issued Shares as a result of the Share Buy-Back. Given that each of the Yang Group and Guoli Minsheng will hold less than 30% of the voting rights of the Company, respectively, no obligation on the part of the Yang Group or Guoli Minsheng to make a general offer will arise under Rule 26 of the Takeovers Code. None of the Shareholders are acting, or presumed to be acting, in concert with one another in relation to the Company, and no obligation on the part of any Shareholder to make a general offer will arise under Rule 26 of the Takeovers Code.

Listing Rules

As at the Latest Practicable Date, PwC Nominees and PwC Australia, are respectively the legal owner and the beneficial owner of 264,708,000 Shares, representing approximately 10.86% of the total issued Shares. As substantial shareholders of the Company, they are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the Share Buy-Back constitutes a connected transaction of the Company and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the Share Buy-Back, and accordingly no Director has abstained from voting on the Board resolution approving the Share Buy-Back Agreement and the transactions contemplated thereunder.

Australian Corporations Act

Under section 257A of the Australian Corporations Act, the Company may only buy back its own Shares if the buy-back does not materially prejudice the Company's ability to pay its creditors and the Company follows the procedures laid down in Division 2 of Part 2J.1 of the Australian Corporations Act. As the transactions under the Share Buy-Back Agreement only relates to a buy-back of the Shares held by PwC Nominees (as bare trustee for PwC Australia), it is a selective share buy-back for the purposes of the Australian

LETTER FROM THE BOARD

Corporations Act. Under section 257D(1) of the Australian Corporations Act, the Share Buy-Back Agreement must be conditional on the Shareholders approving a special resolution (that is, passed by at least 75% of votes entitled to be cast) passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose Shares are proposed to be bought back or by their Associates.

The Directors do not believe the Share Buy-Back will have an adverse effect on the Company's ability to pay its creditors. The Directors are satisfied as to the solvency of the Company and are of the view that they have complied with their obligations under section 588G of the Australian Corporations Act.

Pursuant to section 257G of the Australian Corporations Act, the Company must provide shareholders with all information known to it that is material to the decision as to whether to approve the Share Buy-Back or not. This circular is given for that purpose and the Directors believe that this circular contains all information material and necessary for the Shareholders to make an informed decision.

LISTING RULES IBC AND TAKEOVERS CODE IBC

The Listing Rules IBC, comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Buy-Back, has been established in accordance with the Listing Rules to advise the Independent Shareholders in respect of the terms of the Share Buy-Back.

The Takeovers Code IBC, comprising all the non-executive Directors who have no direct or indirect interest in the Share Buy-Back, has been established in accordance with the Takeovers Code and the Share Buy-Backs Code to advise the Independent Shareholders in respect of the terms of the Share Buy-Back. Dr. Amen Kwai Ping Lee, the non-executive Director, was involved in the negotiation of the Share Buy-Back, and therefore does not form part of the Takeovers Code IBC.

INDEPENDENT FINANCIAL ADVISER

Altus Capital has been appointed as the Independent Financial Adviser with the approval of each of the Listing Rules IBC and the Takeovers Code IBC to advise the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in respect of the terms of the Share Buy-Back in accordance with the Listing Rules, the Takeovers Code and the Share Buy-Backs Code.

For details, please refer to the letter from the Independent Financial Adviser as set out on pages 25 to 44 of this circular.

INDEPENDENT EXPERT

In accordance with guidance under ASIC Regulatory Guide 110, the Company, through the Listing Rules IBC, has engaged the Independent Expert to prepare the Independent Expert Report containing a valuation of the Buy-Back Shares and the opinion of the Independent Expert on whether the Share Buy-Back is fair and reasonable to the Independent Shareholders.

Pursuant to the Independent Expert Report, the Independent Expert is of the opinion that the valuation per Buy-Back Share as at 27 May 2025 is within the range of HK\$0.085 (equivalent to approximately AUD0.017) to HK\$0.105 (equivalent to approximately AUD0.021). Accordingly, the Consideration of approximately HK\$0.0425 per Buy-Back Share represents a discount of approximately 50.00% to 59.52% to the value of Buy-Back Shares as determined by the Independent Expert. The Independent Expert has therefore concluded that the Share Buy-Back is fair and reasonable to the Independent Shareholders.

LETTER FROM THE BOARD

As required under Rule 11.1(b) of the Takeovers Code, the Financial Adviser is required to report on the qualifications of the Independent Expert and the valuation of the Buy-Back Shares. Pursuant to the report by the Financial Adviser, the Financial Adviser (i) concurs that the valuation approach, as well as the bases and assumptions adopted in the valuation have been made by the Independent Expert with due care and objectivity, and on a reasonable basis, and (ii) is satisfied that the Independent Expert possesses the qualifications and experience to compile the Independent Expert Report.

For details, please refer to the Independent Expert Report set out in Appendix III to this circular and the report on the qualifications of the Independent Expert and the valuation of the Buy-Back Shares by the Financial Adviser as set out in Appendix IV to this circular.

EGM

The EGM will be held for the Independent Shareholders to consider and, if thought fit, approve the resolution in respect of the Share Buy-Back Agreement and the transactions contemplated thereunder. Only the Independent Shareholders will be entitled to vote at the EGM. As the PwC Group has a material interest in the Share Buy-Back, PwC Nominees (and all its Associates (including PwC Australia) and all parties acting in concert with any of them) are required to abstain from voting on the resolution(s) to be proposed at the EGM for approving the Share Buy-Back Agreement and the transactions contemplated thereunder.

Save as aforesaid, no other Shareholder is required to abstain from voting on the resolution to be proposed at the EGM for approving the Share Buy-Back Agreement and the transactions contemplated thereunder.

EGM AND PROXY ARRANGEMENT

The notice of the EGM is set out on pages V-1 to V-4 of this circular.

As set out in the section headed “Guidance for the EGM” of this circular, the EGM will be in the form of a hybrid meeting. In addition to the traditional physical attendance at the EGM at Level 3, Yerrabingin House, 3 Central Avenue, Eveleigh, New South Wales 2015, Sydney, Australia, Shareholders have the option of attending, participating and voting in the EGM through online access by visiting the website at <https://meetings.computershare.com/MD6LVAC> (the “**Online Platform**”). Shareholders participating in the EGM using the Online Platform will also be counted towards the quorum and he/she will be able to cast votes and submit questions relevant to the proposed resolutions through the Online Platform.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll (except where the chairperson of the general meeting, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands). An announcement of the poll results will be published by the Company after the conclusion of the EGM in the manner prescribed under the Listing Rules on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.top.edu.au>).

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges (<http://www.hkexnews.hk>) and the Company (<https://www.top.edu.au>). Whether or not you intend to attend the EGM, you are requested to submit your proxy appointment by completing and signing the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 12:00 p.m. (Hong Kong

LETTER FROM THE BOARD

time) on Monday, 30 June 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting (whether physically or by means of electronic facilities) at the EGM (or any adjournment thereof) if you so wish.

The EGM will be held on Wednesday, 2 July 2025. For determining the entitlement of the Shareholders to attend and vote at the meeting, the register of members of the Company will be closed from Thursday, 26 June 2025 to Wednesday, 2 July 2025, both dates inclusive, during which period no transfer of Shares will be registered, and the record date for the EGM will be Wednesday, 2 July 2025. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Wednesday, 25 June 2025.

Only the Independent Shareholders will be entitled to vote at the EGM. As the PwC Group has a material interest in the Share Buy-Back, PwC Nominees (and all its Associates (including PwC Australia) and all parties acting in concert with any of them) are required to abstain from voting on the resolution(s) to be proposed at the EGM for approving the Share Buy-Back Agreement and the transactions contemplated thereunder.

Save as aforesaid, no other Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM for approving the Share Buy-Back Agreement and the transactions contemplated thereunder.

APPOINTMENT OF CORPORATE REPRESENTATIVE OR ATTORNEY

If a Shareholder is a body corporate, or appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- (a) appoints an individual as its corporate representative to exercise its powers at the EGM, in accordance with section 250D of the Australian Corporations Act or as its attorney to exercise its powers at the EGM by a duly executed power of attorney; and
- (b) provides satisfactory evidence of the appointment of its corporate representative or due execution of a power of attorney prior to the EGM.

If such evidence is not received prior to the EGM, the representative or attorney (as applicable) will not be permitted to act on the Shareholder's behalf.

Evidence of the appointment or power of attorney or a certified copy of that evidence can be sent to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 12:00 p.m. (Hong Kong time) on Monday, 30 June 2025) or the adjourned meeting (as the case may be).

RECOMMENDATION

The Directors (including (i) the members of the Listing Rules IBC whose views are set out in its letter after having considered the advice and recommendation of the Independent Financial Adviser and the Independent Expert; and (ii) the members of the Takeovers Code IBC whose views are set out in its letter after having considered the advice and recommendation of the Independent Financial Adviser) are of the view that, although not

LETTER FROM THE BOARD

entered into in the ordinary and usual course of business of the Group, the terms of the Share Buy-Back Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Share Buy-Back Agreement and the transactions contemplated thereunder.

Having taken into account the advice of the Independent Financial Adviser and the Independent Expert, the Listing Rules IBC recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Share Buy-Back Agreement and the transactions contemplated thereunder. Your attention is drawn to the letter from the Listing Rules IBC as set out on pages 21 to 22 of this circular, the letter from the Independent Financial Adviser as set out on pages 25 to 44 of this circular and the Independent Expert Report as set out in Appendix III to this circular. The Independent Shareholders are advised to read the aforesaid letters and Independent Expert Report before deciding as to how to vote on the relevant resolution to be proposed at the EGM.

Having taken into account the advice of the Independent Financial Adviser, the Takeovers Code IBC recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Share Buy-Back Agreement and the transactions contemplated thereunder. Your attention is drawn to the letter from the Takeovers Code IBC as set out on pages 23 to 24 of this circular and the letter from the Independent Financial Adviser as set out on pages 25 to 44 of this circular. The Independent Shareholders are advised to read the aforesaid letters and Independent Expert Report before deciding as to how to vote on the relevant resolution to be proposed at the EGM.

FURTHER INFORMATION

Your attention is also drawn to the financial information of the Group as set out in Appendix I to this circular, other general information as set out in Appendix II to this circular, the Independent Expert Report as set out in Appendix III to this circular, the report from the Financial Adviser as set out in Appendix IV to this circular and the notice of EGM as set out in Appendix V to this circular.

WARNING

Shareholders and potential investors of the Company should be aware that Completion is subject to the satisfaction (or waiver (if applicable)) of all of the conditions under the Share Buy-Back Agreement. As such, Completion may or may not take place. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

Yours faithfully,
For and on behalf of the Board
Top Education Group Ltd
Dr. Amen Kwai Ping Lee
Chairperson



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)

30 May 2025

To the Independent Shareholders

Dear Sir/Madam,

**(1) PROPOSED OFF-MARKET SHARE BUY-BACK;
AND
(2) CONNECTED TRANSACTION**

We have been appointed to form the Listing Rules IBC to consider and advise the Independent Shareholders as to our opinion on the terms of the Share Buy-Back Agreement and the transactions contemplated thereunder in accordance with the Listing Rules, the details of which are set out in the circular of the Company to the Shareholders dated 30 May 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used herein shall have the same meanings as those defined in the Circular, unless the context otherwise requires.

We wish to draw the attention of the Independent Shareholders to the letter from the Board set out on pages 6 to 20 of the Circular, the letter from the Independent Financial Adviser as set out on pages 25 to 44 of this circular, the Independent Expert Report as set out in as set out in Appendix III to this circular, and the additional information set out in the appendices to the Circular.

Altus Capital has been appointed as the Independent Financial Adviser to advise us in this regard. Details of their independent advice, together with the principal factors and reasons they have taken into consideration in arriving at such advice, are set out on pages 25 to 44 of the Circular.

In accordance with guidance under ASIC Regulatory Guide 110, the Company, through the Listing Rules IBC, has engaged the Independent Expert to prepare the Independent Expert Report. Details of the Independent Expert Report containing a valuation of the Buy-Back Shares and the opinion of the Independent Expert on whether the Share Buy-Back is fair and reasonable to the Independent Shareholders is set out in Appendix III to this circular.

Having taken into account the advice and recommendation of the Independent Financial Adviser and the Independent Expert, we are of the view that, although not entered into in the ordinary and usual course of business of the Group, the terms of the Share Buy-Back Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.



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)

30 May 2025

To the Independent Shareholders

Dear Sir/Madam,

**(1) PROPOSED OFF-MARKET SHARE BUY-BACK;
AND
(2) CONNECTED TRANSACTION**

We have been appointed to form the Takeovers Code IBC to consider and advise the Independent Shareholders as to our opinion on the terms of the Share Buy-Back Agreement and the transactions contemplated thereunder in accordance with the Takeovers Code and the Share Buy-Backs Code, the details of which are set out in the circular of the Company to the Shareholders dated 30 May 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used herein shall have the same meanings as those defined in the Circular, unless the context otherwise requires.

We wish to draw the attention of the Independent Shareholders to the letter from the Board set out on pages 6 to 20 of the Circular, the letter from the Independent Financial Adviser as set out on pages 25 to 44 of this circular, and the additional information set out in the appendices to the Circular.

Altus Capital has been appointed as the Independent Financial Adviser with our approval to advise us in this regard. Details of their independent advice, together with the principal factors and reasons they have taken into consideration in arriving at such advice, are set out on pages 25 to 44 of the Circular.

Having taken into account the advice and recommendation of the Independent Financial Adviser and the Independent Expert, we are of the view that, although not entered into in the ordinary and usual course of business of the Group, the terms of the Share Buy-Back Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE TAKEOVERS CODE IBC

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Share Buy-Back Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the Takeovers Code IBC

Top Education Group Ltd

Yi Dai

Professor Steven Schwartz

Mr. Jonathan Richard O’Dea

Edward Chiang

Mr. Tianye Wang

Professor Dominic Robert Beresford Verity

Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Altus Capital Limited, the Independent Financial Adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in relation to the Share Buy-Back, which has been prepared for the purpose of incorporation in the Circular.

ALTUS.

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

30 May 2025

To the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders

Top Education Group Ltd
Room 1916, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Dear Sir or Madam,

PROPOSED OFF-MARKET SHARE BUY-BACK AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in relation to the Share Buy-Back. Our appointment as Independent Financial Adviser has been approved by the Listing Rules IBC and the Takeovers Code IBC respectively as set out in the announcement of the Company dated 7 April 2025. Details of the Share Buy-Back are set out in the “Letter from the Board” contained in the circular of the Company dated 30 May 2025 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The Share Buy-Back

On 7 April 2025 (after trading hours), the Company and PwC Nominees (as bare trustee for PwC Australia) entered into the Share Buy-Back Agreement, pursuant to which the Company has conditionally agreed to purchase, and PwC Nominees (as bare trustee for PwC Australia) has conditionally agreed to sell, the Buy-Back Shares, being all the 264,708,000 Shares held by PwC Nominees (as the legal owner) on bare trust for PwC

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Australia (as the beneficial owner), representing approximately 10.86% of the total issued Shares as at the Latest Practicable Date, at the Consideration of approximately HK\$0.0425 per Buy-Back Share, being the total Consideration of HK\$11,243,168.3 (equivalent to approximately AUD2,248,634).

Upon Completion, the Buy-Back Shares will be cancelled and all rights attaching thereto will cease with immediate effect, and the total number of issued Shares will then be reduced from 2,436,394,000 Shares to 2,171,686,000 Shares.

REGULATORY IMPLICATIONS

The Share Buy-Backs Code

The Share Buy-Back constitutes an off-market share buy-back by the Company under the Share Buy-Backs Code, which is subject to the approval by the Executive. The Company will make an application to the Executive for approval of the Share Buy-Back pursuant to Rule 2 of the Share Buy-Backs Code. The Executive's approval, if granted, will normally be conditional upon, among other things, approval of the Share Buy-Back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM.

The Takeovers Code

According to Rule 32 of the Takeovers Code, if as a result of the Share Buy-Back, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As at the Latest Practicable Date, the substantial Shareholders (other than the PwC Group) are (i) the Yang Group, which is interested in 365,764,000 Shares, representing approximately 15.01% of the total issued Shares; and (ii) Guoli Minsheng, which is interested in 351,180,000 Shares, representing approximately 14.41% of the total issued Shares. Immediately upon Completion (assuming there is no other change in the shareholding structure of the Company between the Latest Practicable Date and up to Completion), the Yang Group's interest in the Company will increase to approximately 16.84% of the reduced total issued Shares as a result of the Share Buy-Back; and (ii) Guoli Minsheng's interest in the Company will increase to approximately 16.17% of the reduced total issued Shares as a result of the Share Buy-Back. Given that each of the Yang Group and Guoli Minsheng will hold less than 30% of the voting rights of the Company respectively, no obligation on the part of the Yang Group or Guoli Minsheng to make a general offer will arise under Rule 26 of the Takeovers Code.

Listing Rules

As at the Latest Practicable Date, PwC Nominees and PwC Australia are respectively the legal owner and the beneficial owner of 264,708,000 Shares, representing approximately 10.86% of the total issued Shares. As substantial shareholders of the Company, they are connected persons of the Company pursuant to Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, the Share Buy-Back constitutes a connected transaction of the Company and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Australian Corporations Act

Under section 257A of the Australian Corporations Act, the Company may only buy back its own Shares if the buy-back does not materially prejudice the Company's ability to pay its creditors and the Company follows the procedures laid down in Division 2 of Part 2J.1 of the Australian Corporations Act. As the transactions under the Share Buy-Back Agreement only relates to a buy-back of the Shares held by PwC Nominees (as bare trustee for PwC Australia), it is a selective share buy-back for the purposes of the Australian Corporations Act. Under section 257D(1) of the Australian Corporations Act, the Share Buy-Back Agreement must be conditional on the Shareholders approving a special resolution (that is, passed by at least 75% of votes entitled to be cast) passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose Shares are proposed to be bought back or by their Associates.

THE LISTING RULES IBC

The Listing Rules IBC, comprising Professor Steven Schwartz, Mr. Tianye Wang, Mr. Jonathan Richard O'Dea and Professor Dominic Robert Beresford Verity, being all the independent non-executive Directors who have no direct or indirect interest in the Share Buy-Back, has been established in accordance with the Listing Rules to advise the Independent Shareholders as to (i) whether the terms of the Share Buy-Back Agreement are on normal commercial terms and are fair and reasonable; (ii) whether the transactions contemplated under the Share Buy-Back Agreement is conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to be proposed at the EGM to approve the Share Buy-Back Agreement and the Share Buy-Back, taking into account the recommendation of the Independent Financial Adviser.

THE TAKEOVERS CODE IBC

The Takeovers Code IBC, comprising Mr. Yi Dai, Mr. Edward Chiang, Professor Steven Schwartz, Mr. Tianye Wang, Mr. Jonathan Richard O'Dea and Professor Dominic Robert Beresford Verity, being all the non-executive Directors who have no direct or indirect interest in the Share Buy-Back, has been established in accordance with the Takeovers Code and the Share Buy-Backs Code to advise the Independent Shareholders as to (i) whether the terms of the Share Buy-back are fair and reasonable and in the interest of the Independent Shareholders; and (ii) how the Independent Shareholders should vote in respect of the resolution to be proposed at the EGM to approve the Share Buy-Back Agreement and the Share Buy-Back, taking into account the recommendation of the Independent Financial Adviser.

Dr. Amen Kwai Ping Lee, the non-executive Director, was involved in the negotiation of the Share Buy-Back, and therefore does not form part of the Takeovers Code IBC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders, our role is to give an independent opinion to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders as to (i) whether the terms of the Share Buy-Back Agreement are on normal commercial terms and are fair and reasonable; (ii) whether the transactions contemplated under the Share Buy-Back Agreement is conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to be proposed at the EGM to approve the Share Buy-Back Agreement and the Share Buy-Back.

We (i) are not associated or connected, financially or otherwise, with the Company or each of the PwC Nominees, or any parties acting, or presumed to be acting, in concert with any of them; and (ii) have not acted as the financial adviser or independent financial adviser in relation to any transaction of the Company or each of the PwC Nominees, their respective controlling shareholders or any parties acting in concert with any of them in the last two years prior to the date of the Circular. Given that (i) remuneration for our engagement to opine on the Share Buy-Back is at market level and not conditional upon the outcome of the resolution to be proposed at the EGM; (ii) no arrangement exists whereby we shall receive any fees or benefits from the Company (other than our said remuneration) or each of the PwC Nominees, or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms and approved by each of the Listing Rules IBC and the Takeovers Code IBC, we are independent of the Company or each of the PwC Nominees, or any parties acting in concert with any of them and can act as the independent financial adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in respect of the Share Buy-Back.

INDEPENDENT EXPERT

In accordance with guidance under ASIC Regulatory Guide 110, the Company, through the Listing Rules IBC, has engaged the Independent Expert to prepare the Independent Expert Report containing a valuation of the Buy-Back Shares and the opinion of the Independent Expert on whether the Share Buy-Back is fair and reasonable to the Independent Shareholders. Details are set out in Appendix III to the Circular. The Financial Adviser has also reported on the qualifications of the Independent Expert and the valuation of the Buy-Back Shares as set out in Appendix IV to the Circular.

We note that the Independent Expert stated in the Independent Expert Report that it is of the view that the Share Buy-Back is fair and reasonable to the Independent Shareholders. For the avoidance of doubt, in arriving at our opinions as set out in this letter, we have conducted our own independent analysis and did not rely on or make reference to the Independent Expert Report. Our relevant analysis and principal factors considered are set out in the section headed “PRINCIPAL FACTORS AND REASONS CONSIDERED” in this letter.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, among other things, (i) the Share Buy-Back Agreement; (ii) the annual report of the Company for the year ended 30 June 2024 (the “**2024 Annual Report**”); (iii) the interim report of the Company for the six months ended 31 December 2024 (the “**2025 Interim Report**”); and (iv) other information set out in the Circular.

We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete in all material aspects at the time they were made and continued to be so up to the Latest Practicable Date. The Directors jointly and severally accept full responsibility for the accuracy of information contained in the Circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion are untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render them untrue, inaccurate or misleading. We consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. The Company will notify the Shareholders of any material change after the Latest Practicable Date and after the despatch of the Circular. Independent Shareholders will also be informed as soon as possible when there are any material changes to the information contained or referred to herein as well as changes to our opinion after the Latest Practicable Date and up to and including the date of the EGM. We have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation, we have taken into consideration the principal factors and reasons set out below:

1. Background information of the Company, PwC Nominees and the Share Buy-Back

1.1 Principal business of the Group

The Company is a company registered in New South Wales, Australia. The Group is principally engaged in the business of private higher education specialising in offering business and accounting courses that are recognised by major accounting bodies in Australia at an undergraduate and postgraduate level. The Company also offers a bachelor of laws degree that is fully accredited by the NSW Legal Profession Admission Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Financial information of the Group

The tables below set out a summary of certain financial information of the Group for the years ended 30 June 2023 and 2024 extracted from the 2024 Annual Report and the six months ended 31 December 2023 and 2024 extracted from the 2025 Interim Report respectively.

Extract of consolidated statement of profit or loss and other comprehensive income

	For the six months ended 31 December 2024 ("1H FY2025")	For the six months ended 31 December 2023 ("1H FY2024")	For the year ended 30 June 2024 ("FY2024")	For the year ended 30 June 2023 ("FY2023")
	<i>AUD'000</i>	<i>AUD'000</i>	<i>AUD'000</i>	<i>AUD'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	16,016	13,745	29,041	26,848
– Course fee income	14,970	12,767	26,967	25,044
– Other service fee income	1,046	978	2,074	1,804
Gross profit	6,619	5,676	12,757	11,792
Gross profit margin	41.3%	41.3%	43.9%	43.9%
Profit before tax	2,148	1,437	2,714	1,790
Profit attributable to owners of the Company	1,592	1,040	1,917	1,113

Extract of consolidated statement of financial position

	As at 31 December 2024	As at 30 June 2024	As at 30 June 2023
	<i>AUD'000</i>	<i>AUD'000</i>	<i>AUD'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total assets	78,696	77,380	76,239
– Cash and cash equivalents	46,588	44,072	41,732
Total liabilities	27,992	27,262	27,314
NAV attributable to owners of the Company	50,334	49,716	48,516

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2024 vs FY2023

The Group recorded revenue growth of approximately 8.2%, reaching approximately AUD29.0 million in FY2024 from approximately AUD26.8 million in FY2023. Over 90% of the Group's revenue was derived from tuition fee. While the Group's tuition fee levels remained unchanged in FY2024 compared to FY2023, the rise in student enrolments led to increase in revenue.

Gross profit increased by approximately 8.2% to approximately AUD12.8 million in FY2024 from approximately AUD11.8 million in FY2023, mainly due to the revenue growth as abovementioned. Gross profit margins remained stable at approximately 43.9% in FY2024 and FY2023 respectively. After incurring expenses such as administrative, advertising and marketing expenses, as well as interest income and other income and gains, which overall remained relatively stable, the Group recorded profit attributable to owners of the Company of approximately AUD1.9 million in FY2024, representing an increase of approximately 72.2% from approximately AUD1.1 million in FY2023.

As at 30 June 2024, total assets of the Group amounted to approximately AUD77.4 million, representing a slight increase of approximately 1.5% from approximately AUD76.2 million as at 30 June 2023. Such increase was mainly due to the increase in cash and cash equivalents, which accounted for over 50% of the Group's total assets, from approximately AUD41.7 million as at 30 June 2023 to approximately AUD44.1 million as at 30 June 2024. Other assets of the Group consisted mainly of property, plant and equipment, right-of-use assets and intangible assets.

The Group's total liabilities remained steady at approximately AUD27.3 million as at 30 June 2023 and 2024 respectively, which consisted mainly of trade payables, other payables and accruals, contract liabilities and lease liabilities. The Group had no borrowings as at 30 June 2023 and 2024.

As a result of the above, the Group's NAV attributable to owners of the Company increased slightly by approximately 2.5% to approximately AUD49.7 million as at 30 June 2024 from approximately AUD48.5 million as at 30 June 2023.

1H FY2025 vs 1H FY2024

The Group continued to record revenue growth in 1H FY2025. The Group's revenue amounted to approximately AUD16.0 million in 1H FY2025, representing an increase of approximately 16.5% from approximately AUD13.7 million in 1H FY2024. Such increase was mainly due to the increase in student enrolment, while tuition fee levels remained unchanged.

Gross profit increased by approximately 16.6% to approximately AUD6.6 million in 1H FY2025 from approximately AUD5.7 million in 1H FY2024, mainly due to the revenue growth as abovementioned. Gross profit margins remained stable at approximately 41.3% in 1H FY2025 and 1H FY2024 respectively. After incurring

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

expenses such as administrative, advertising and marketing expenses, as well as other income and gains, which overall remained relatively stable, the Group recorded profit attributable to owners of the Company of approximately AUD1.6 million in 1H FY2025, representing an increase of approximately 53.1% from approximately AUD1.0 million in 1H FY2024.

The Group's total assets continued to increase to approximately AUD78.7 million as at 31 December 2024, mainly due to the increase in cash and cash equivalents as the Group generated cash inflow from operations in 1H FY2025. The Group's total liabilities remained relatively stable at approximately AUD28.0 million and AUD27.3 million as at 31 December 2024 and 30 June 2024 respectively. The Group had no borrowings as at 31 December 2024 and 30 June 2024.

As a result of the above, the Group's NAV attributable to owners of the Company increased slightly by approximately 1.2% to approximately AUD50.3 million as at 31 December 2024 from approximately AUD49.7 million as at 30 June 2024.

Overall, we observed that the Group's financial performance had improved from FY2023 to 1H FY2025, driven by increase in student enrolment numbers. This, coupled with stable gross profit margins, enabled the Group to achieve growth in profit attributable to owners of the Company. Additionally, the Group had maintained a stable financial position and strong liquidity position, with cash and cash equivalents accounting for over 50% of its total assets and no outstanding debts.

1.3 Prospects of the Group

According to the Management, the higher education sector in Australia has been impacted by various events over the past years, notably, the changing government policies on international student enrolments.

The Company stated in the 2024 Annual Report and the 2025 Interim Report that the Australian Government intended to implement a cap on new international student commencements in higher education institutions in response to public concerns regarding increasing migration levels and the corresponding impact on rental accommodation costs. Despite this cap not being approved by the parliament by 2024, other mechanisms related to the issuance of student visas, for example, the introduction of two categories of student visa processing which came into effect in December 2024, continued to limit the flow of international students into the Australian higher education system. Under such backdrop, it is the Group's strategic initiatives to diversify its program offerings, including introducing new courses tailored for domestic students (which currently accounted for approximately 0.3% of the Group's students according to the Management), enhancing online education capabilities and exploring transnational educational opportunities (for example, the Group has cooperated with Chinese partner institutions such as Guangxi University of Finance and Economics and Shandong Polytechnic College to provide student pathway programs), as part of its efforts to adapt to the evolving regulatory changes. According to data published by the Department of Education of the Australia Government, the total number of students enrolled in higher education decreased from 1,622,867 in 2020 to 1,602,573 and 1,551,411 in 2021 and 2022 respectively, as adversely impacted by the COVID-19 pandemic. In 2023, the reopening of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

borders resulted in return of overseas students, leading to an increase in the total number of students enrolled in higher education to 1,600,563. We note that the Group's student enrolment has increased from FY2023 to 1H FY2025 as discussed in the paragraph headed "1.2 Financial information of the Group" above, leading to improvements in revenue and financial performance.

Despite the uncertainty surrounding government policies on international student enrolments, we are of the view that the Group's business outlook is reasonable as its stated initiatives to adapt to these evolving regulatory changes may enable it to weather the potential negative impact, coupled with factors discussed in the paragraph headed "4. Rationale for the Share Buy-Back" below, which support the Share Buy-Back as a good opportunity for the Independent Shareholders to increase their stake in the Company without having to contribute any capital outlay.

1.4 The PwC Group

PwC Australia is a member of the global network of PricewaterhouseCoopers firms delivering audit, assurance, tax and consulting services, each of which is a separate and independent legal entity.

PwC Nominees is owned as to 50% by PricewaterhouseCoopers Nominees (N.S.W.) Pty Ltd and 50% by PricewaterhouseCoopers Nominees (Victoria) Pty Ltd. PwC Nominees is the registered owner of the Buy-Back Shares and holds the Buy-Back Shares as bare trustee for PwC Australia as the sole beneficiary of a trust under a trust arrangement between PwC Nominees and PwC Australia.

1.5 Background of the Share Buy-Back

We understand from the Management that the Company was approached, over a year ago, by PwC Nominees (on behalf of PwC Australia) who expressed PwC Australia's intention of exploring the possibility of selling all of its shareholding in the Company. In arriving at the decision on the Share Buy-Back and the relevant terms, the Board had taken into consideration the factors as set out in the paragraph headed "Reasons for and benefits of the Share Buy-Back" in the "Letter from the Board" of the Circular.

2. Principal terms of the Share Buy-Back Agreement

On 7 April 2025 (after trading hours), the Company and PwC Nominees (as bare trustee for PwC Australia) entered into the Share Buy-Back Agreement, pursuant to which the Company has conditionally agreed to purchase, and PwC Nominees (as bare trustee for PwC Australia) has conditionally agreed to sell, the Buy-Back Shares.

2.1 The Buy-Back Shares

The Buy-Back Shares constitute the entire shareholding of the PwC Group in the Company, being 264,708,000 Shares held by PwC Nominees (as the legal owner) on bare trust for PwC Australia (as the beneficial owner), representing approximately 10.86% of the total issued Shares as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2.2 *The Consideration*

The Consideration is approximately HK\$0.0425 per Buy-Back Share, being the total Consideration of HK\$11,243,168.3 (equivalent to approximately AUD2,248,634).

According to the paragraph headed “The Consideration” in the “Letter from the Board” of the Circular, the Consideration was determined after arm’s length commercial negotiations between the Company and PwC Nominees, taking into account the movements in the market price of the Shares, the NAV of the Company, the prevailing market conditions and the portion of the agreed costs and expenses incurred or to be incurred by the Group in relation to the Share Buy-Back Agreement and the transactions contemplated thereunder to be borne equally by the Company and PwC Nominees.

The Consideration will be paid by the Company to PwC Nominees at Completion in cash by utilising the Group’s internal resources.

2.3 *Conditions precedent*

Completion is conditional upon, among other things, the passing of a special resolution at the EGM by at least three-fourths of the votes cast on a poll by the Independent Shareholders approving the terms of the Share Buy-Back Agreement and the transactions contemplated thereunder, with no votes being cast in favour of the resolution by any Interested Shareholder and all Interested Shareholders abstaining from voting, on or before the Long Stop Date.

Details of the conditions precedent are set out in the paragraph headed “Conditions precedent” in the “Letter from the Board” of the Circular.

3. **Evaluation of the Consideration**

As stated in the “Letter from the Board” of the Circular, the Consideration is approximately HK\$0.0425 per Buy-Back Share (the “**Buy-Back Price**”), which represents:

- (a) a discount of approximately 25.4% to the closing price of HK\$0.057 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 30.3% to the closing price of HK\$0.061 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 27.2% to the average closing price of approximately HK\$0.0584 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 27.2% to the average closing price of approximately HK\$0.0584 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;

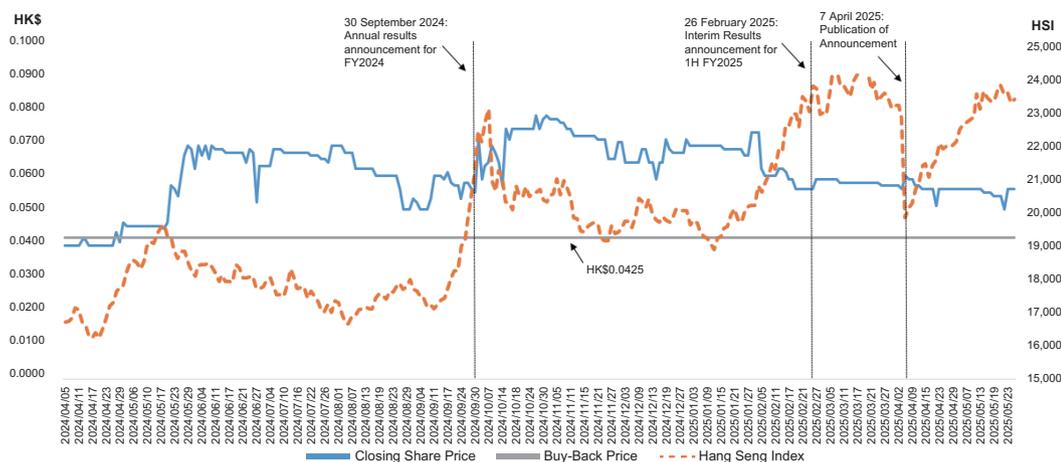
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (e) a discount of approximately 27.8% to the average closing price of approximately HK\$0.0588 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a discount of approximately 31.8% to the average closing price of approximately HK\$0.0624 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (g) a discount of approximately 33.7% to the average closing price of approximately HK\$0.0641 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days immediately prior to and including the Last Trading Day;
- (h) a discount of approximately 34.7% to the average closing price of approximately HK\$0.0651 per Share based on the daily closing prices of the Shares as quoted on the Stock Exchange for the 180 consecutive trading days immediately prior to and including the Last Trading Day;
- (i) a discount of approximately 58.3% to the audited NAV per Share attributable to Shareholders of approximately AUD0.0204 per Share (equivalent to approximately HK\$0.1020 per Share) as at 30 June 2024, calculated based on the Company's audited NAV of approximately AUD49,716,000 (equivalent to approximately HK\$248,580,000) as at 30 June 2024 and 2,436,394,000 Shares then in issue; and
- (j) a discount of approximately 58.9% to the unaudited NAV per Share attributable to Shareholders of approximately AUD0.0207 per Share (equivalent to approximately HK\$0.1035 per Share) as at 31 December 2024, calculated based on the Company's unaudited NAV of approximately AUD50,334,000 (equivalent to approximately HK\$251,670,000) as at 31 December 2024 and 2,436,394,000 Shares then in issue.

3.1 Historical Share price performance

The chart below illustrates the historical closing prices of Shares in the past year from 5 April 2024 (i.e. about 12 months before the Last Trading Day) to the Last Trading Day and subsequent to that up to the Latest Practicable Date (the “**Review Period**”). We are of the view that a period of around one year adequately illustrates recent price movements of the Shares which reflect prevailing market sentiments as well as market perception of the value of the Shares. It is a reasonable time frame for comparison of the closing prices of Shares and the Buy-Back Price.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



Source: The website of the Stock Exchange (www.hkex.com.hk)

During the Review Period, the highest and lowest closing price of the Shares were HK\$0.0790 per Share recorded on 28 and 31 October 2024 and HK\$0.0400 per Share recorded on 5, 8, 9, 10, 11, 16, 17, 18, 19, 22, 23, 24 and 25 April 2024 respectively, where the Buy-Back Price, being approximately HK\$0.0425 per Share, is within the aforesaid range of the closing prices of the Shares and at lower end of the range. The average daily closing price per Share over the Review Period was approximately HK\$0.0618 per Share, and the Buy-Back Price represents a discount of approximately 31.2% to such average of closing prices.

As illustrated in the graph above, the Shares had generally traded at higher than the Buy-Back Price of approximately HK\$0.0425 per Share during the Review Period (i.e. 263 out of 279 trading days). Closing price of Shares had generally remained stable from 5 April 2024 to 21 May 2024, hovering between HK\$0.0400 per Share and HK\$0.0470 per Share. Thereafter, the Share closing price increased to HK\$0.0700 per Share on 29 May 2024, and then traded between HK\$0.0510 per Share and HK\$0.0700 per Share until 30 September 2024, when the Company announced its annual results for FY2024. The Share closing price then reached its highest at HK\$0.0790 per Share on 28 and 31 October 2024 respectively. Between 1 November 2024 and 4 February 2025, closing price of Shares traded between HK\$0.0600 per Share and HK\$0.0780 per Share. Subsequently, the Share closing price had been on a decreasing trend and reached HK\$0.0570 per Share on 20 February 2025, despite the Hang Seng Index rising during the aforesaid period from 20,597 as at 5 February 2025 to 22,577 as at 20 February 2025. The Share price then remained relatively stable and closed at HK\$0.0610 per Share and HK\$0.0570 per Share on the Last Trading Day and the Latest Practicable Date respectively.

Considering that the Buy-Back Price is lower than the closing prices of the Shares during most of the Review Period (i.e. 263 out of 279 trading days), and that it represents a discount of approximately 31.2% to the average closing prices of the Shares during the Review Period, we are of the view that the Buy-Back Price is fair and reasonable from the point of view of the historical trading prices of Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3.2 Historical liquidity of the Shares

According to the paragraph headed “Effects on shareholding structure of the Company” in the “Letter from the Board” of the Circular, as at the Latest Practicable Date, a total of 2,436,394,000 Shares were in issue, of which 713,060,000 Shares were held by other Independent Shareholders. The table below sets out information of the market trading liquidity of Shares during the Review Period.

Month	Number of trading days	Average daily trading volume (number of Shares)	Approximate % of average daily trading volume to total number of issued Shares as at the relevant month end	Approximate % of average daily trading volume to total number of issued Shares held by other Independent Shareholders as at the relevant month end
2024				
April (from 5 April)	18	637,222	0.0262%	0.0894%
May	21	1,199,048	0.0492%	0.1682%
June	19	183,684	0.0075%	0.0258%
July	22	1,818	0.0001%	0.0003%
August	22	35,455	0.0015%	0.0050%
September	19	45,263	0.0019%	0.0063%
October	21	583,333	0.0239%	0.0818%
November	21	33,810	0.0014%	0.0047%
December	20	31,000	0.0013%	0.0043%
2025				
January	19	26,842	0.0011%	0.0038%
February	20	47,000	0.0019%	0.0066%
March	21	10,000	0.0004%	0.0014%
April (up to the Last Trading Day)	4	177,500	0.0073%	0.0249%
April (from 8 April)	15	13,333	0.0005%	0.0019%
May (up to the Latest Practicable Date)	17	3,529	0.0001%	0.0005%

Source: The website of the Stock Exchange (www.hkex.com.hk)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We note that the trading activities of the Shares had not been high during the Review Period. As illustrated in the above table, the percentage of average daily trading volume to the total number of issued Shares ranged from approximately 0.0001% to 0.0492%. When compared to the total number of Shares held by other Independent Shareholders, the percentage ranged from approximately 0.0003% to 0.1682%. The average daily trading volume of the Shares during the Review Period was approximately 207,993 Shares, representing approximately 0.0085% of the total number of issued Shares and approximately 0.0292% of the total number of Shares held by other Independent Shareholders as at the Latest Practicable Date respectively.

As an illustration, assuming PwC Nominees were to dispose of the number of Buy-Back Shares in the market and using the average daily trading volume during the Review Period as reference, it would theoretically require a period of approximately 1,273 trading days to complete the transaction (calculated based on dividing (i) the number of Buy-Back Shares of 264,708,000 Shares; by (ii) the abovementioned average daily trading volume of the Shares during the Review Period of approximately 207,993 Shares). We are of the view that in the absence of the Share Buy-Back, PwC Nominees' divestment activities in the market during a short period of time would possibly cause a considerable downward pressure on the price of the Shares. The Share Buy-Back therefore enables the Company and PwC Nominees to maintain an orderly market trading by conducting the transaction off-market. We are of the view that the above is beneficial to the Company and the Independent Shareholders as a whole.

3.3 Comparable analysis

In evaluating the Share Buy-Back, we have attempted to assess the fairness and reasonableness of the Buy-Back Price through conducting a price multiple analysis with comparable listed companies.

We have set the following criteria in identifying comparable companies to the Group:

- (i) principally engaged in similar business as the Group, with over 50% of revenue being derived from education business in Australia; and
- (ii) the shares of which are listed on the Stock Exchange where the Company is similarly listed on.

From our research conducted to the extent possible and which we consider to be exhaustive, we are unable to identify comparable companies based on the selection criteria set out above. We believe that the scarcity may be due to the fact that companies listed on the Stock Exchange and engaged in education business are primarily PRC-focused.

We note that there are other education businesses listed on the Stock Exchange that have a geographical presence in Australia, namely Edvantage Group Holdings Limited (stock code: 382) ("**Edvantage**") and China Education Group Holdings Limited (stock code: 839) ("**China Education**"). However, due to their insignificant portion of revenue generated in

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Australia, we consider that they are not comparable to the Company. For the Independent Shareholders' reference only, we have set out details of Edvantage and China Education in the table below.

Stock code	Company name	Principal activities	Revenue in the latest financial year	Geographical breakdown in terms of latest annual revenue
382	Edvantage Group Holdings Limited	Edvantage is principally engaged in the operation of private higher and vocational education institutions. Edvantage operates two segments. People's Republic of China ("PRC") higher education and vocational education segment is engaged in the operation of higher education, secondary education and vocational education institutions in China. Overseas higher education and vocational education segment is engaged in the operation of higher education and vocational education institutions outside of China.	RMB2,312 million (equivalent to approximately AUD528 million)	PRC (98.17%) Australia (1.79%) Singapore (0.04%)
839	China Education Group Holdings Limited	China Education is principally engaged in the provision of private higher education services. China Education operates its business through three segments: the higher education segment, the vocational education segment, and the global education segment. China Education operates higher education and vocational education institutions in the PRC and provides education services in Australia and the United Kingdom.	RMB6,579 million (equivalent to approximately AUD1,502 million)	PRC (96.29%) Australia (3.71%)
1752	The Company	The Group is principally engaged in the business of private higher education specialising in offering business and accounting courses that are recognised by major accounting bodies in Australia at an undergraduate and postgraduate level.	AUD29 million	Australia (100%)

From the table above, we note that both Edvantage and China Education generated less than 5% of their revenue from Australia in their respective latest financial year, in contrast to the Group where all revenue was generated in Australia. As such, we consider that they are not comparable to the Company.

Having considered the above, we could not apply market comparable analysis in this case.

Nonetheless, we have considered the Buy-Back Price in terms of the price-to earnings ratio (the "**P/E Ratio**"), a common parameter in assessing a company's value. The Buy-Back Price accords a valuation of the Company, in terms of implied P/E Ratio, at approximately

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

10.8 times. We note that during the Review Period, the Shares had traded at varying levels of P/E Ratios, ranging from approximately 13.0 times to 30.6 times. This implies that, from a historical valuation standpoint, the Buy-Back Price enables the Company to buy-back the Buy-Back Shares at a price lower than what the market had assigned to the Company during the Review Period. Considering the above, we are of the view that the Buy-Back Price is fair and reasonable from the point of view of the historical valuation of Shares.

4. Rationale for the Share Buy-back

As stated in the paragraph headed “Reasons for and benefits of the Share Buy-Back” in the “Letter from the Board” of the Circular, when considering the Share Buy-Back, the Company has taken into consideration that the Share Buy-Back, among other things, (i) is a good opportunity for the Company to enhance its NAV per Share and earnings per Share; (ii) could possibly prevent the negative impact on the Group’s future development in case the Buy-Back Shares were to be sold by PwC Nominees to a third party who might not share the same vision as the Management; and (iii) could mitigate the impact of a disposal of a significant number of Shares by a substantial Shareholder onto the market and minimise any potential significant market volatility.

In this regard, as mentioned in the paragraph headed “1.5 Background of the Share Buy-Back” above, we understand from the Management that the Company was approached by PwC Nominees (on behalf of PwC Australia) with an intention to explore the possibility of selling all of its shareholding in the Company over a year ago. As discussed in the paragraph headed “3.2 Historical liquidity of the Shares” above, the trading activities of the Shares had not been high. In the hypothetical scenario that PwC Nominees were to dispose of the Buy-Back Shares in the market, it could possibly cause a considerable downward pressure on the price of the Shares. We concur with the Management’s view that by conducting the transaction off-market, it could enable the Company and PwC Nominees to maintain an orderly market trading and minimise any potential significant market volatility.

In addition, as elaborated in the paragraph headed “6. Financial effects of the Share Buy-Back” below, we note that the Share Buy-Back would enhance the Company’s NAV per Share and earnings per Share, which are beneficial to the Independent Shareholders. Further, we understand from the Management that the Company has considered its prevailing financial resources before deciding to conduct the Share Buy-Back. Based on the Group’s financial position as at 31 December 2024, the Group had cash and cash equivalents of approximately AUD46.6 million (equivalent to approximately HK\$232.9 million). It had also recorded strong financial performance during 1H FY2025, recording profit attributable to owners of the Company of approximately AUD1.6 million. The total cash required to conduct the Share Buy-Back is HK\$11,243,168.3 (equivalent to approximately AUD2,248,634), representing approximately 4.8% of the cash and cash equivalents of the Group as at 31 December 2024. Based on the Group’s prevailing financial performance and financial position, we concur with the Management’s view that the Group is in reasonable financial health and that it has the necessary financial resources to conduct the Share Buy-Back without significantly compromising its liquidity position required for its normal business operations.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Effects on the shareholding structure of the Company

As set out in the paragraph headed “Effects on shareholding structure of the Company” in the “Letter from the Board” of the Circular, the following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon Completion, upon which the Buy-Back Shares will be cancelled.

	As at the Latest Practicable Date		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The PwC Group	264,708,000	10.86	–	–
Guoli Minsheng	351,180,000	14.41	351,180,000	16.17
Minsheng Education Group Company Limited	209,000,000	8.58	209,000,000	9.62
Tristar United Investment Limited	150,002,000	6.16	150,002,000	6.91
<i>Directors</i>				
Mr. Qingquan Yang / The Yang Group	365,764,000	15.01	365,764,000	16.84
Ms. Xing Shi Huang	228,506,000	9.38	228,506,000	10.52
Mr. Amen Kwai Ping Lee	150,302,000	6.17	150,302,000	6.92
Professor Steven Schwartz	3,892,000	0.16	3,892,000	0.18
Other Independent Shareholders	<u>713,060,000</u>	<u>29.27</u>	<u>713,060,000</u>	<u>32.83</u>
Total	<u>2,436,394,000</u>	<u>100.00</u>	<u>2,171,686,000</u>	<u>100.00</u>

Assuming that none of the outstanding Share Rights have been exercised as at the Latest Practicable Date and there is no other change in the shareholding structure of the Company between the Latest Practicable Date and up to Completion, the interest of other Independent Shareholders in the Company’s total number of issued Shares will increase from approximately 29.27% to approximately 32.83%. Meanwhile, there is no significant change in shareholdings in the Company nor change in control after the completion of the Share Buy-Back.

6. Financial effects of the Share Buy-Back

As a result of the Share Buy-Back, the number of issued Shares would have decreased from 2,436,394,000 Shares as at the Latest Practicable Date to 2,171,686,000 Shares. This section sets out analysis on potential financial effects of the Share Buy-Back on the Group. It should be noted that the figures and financial impact shown below are for illustrative purpose only.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6.1 Effects on earnings per Share

As shown in the paragraph headed “Financial effects of the Share Buy-Back” in the “Letter from the Board” of the Circular, the Company’s basic earnings per Share after the completion of the Share Buy-Back (approximately AUD0.090 cents per Share) and diluted earnings per Share after the completion of the Share Buy-Back (approximately AUD0.084 cents per Share) as compared with the same for the year ended 30 June 2024 would be improved by approximately 12.4% (FY2024: AUD0.080 cents per Share) and 11.6% (FY2024: AUD0.075 cents per Share) respectively, assuming the Share Buy-Back had taken place on 1 July 2023. The Group has been profitable and the enhancement in earnings per Share means each Shareholder will have a greater share of the Group’s business return after the completion of the Share Buy-Back, which is beneficial to the Independent Shareholders.

6.2 Effects on NAV per Share

As shown in the paragraph headed “Financial effects of the Share Buy-Back” in the “Letter from the Board” of the Circular, the NAV per Share attributable to the Shareholders after the completion of the Share Buy-Back (approximately AUD0.0221 per Share) as compared with the same as at 31 December 2024 would increase by approximately 7.2% (as at 31 December 2024: AUD0.0207 per Share) assuming the Share Buy-Back had taken place on 31 December 2024 based on the unaudited consolidated statement of financial position of the Group as at 31 December 2024 (before related transaction costs and expenses), as the Buy-Back Price is at a discount to the NAV per Share. The enhancement in NAV per Share means each Shareholder will have a greater share of the Group’s net assets after the completion of the Share Buy-Back, which is also beneficial to the Independent Shareholders.

6.3 Effects on total liabilities

As shown in the paragraph headed “Financial effects of the Share Buy-Back” in the “Letter from the Board” of the Circular, the Share Buy-Back has no impact on the liabilities of the Group as the Consideration will be settled in cash.

6.4 Effects on working capital

As shown in the paragraph headed “Financial effects of the Share Buy-Back” in the “Letter from the Board” of the Circular, the amount of Consideration for the Share Buy-Back will be just approximately 4.8% of the Group’s cash and cash equivalents as at 31 December 2024. The effect on the Group’s working capital is therefore not material.

From the above, we are of the view that overall, the Share Buy-Back has apparent positive financial effects on the way the Company will be valued and perceived by investors and the market, and is in the interest of the Independent Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATIONS

Having considered the above principal factors and reasons, in particular,

- (i) the closing prices of Shares during the Review Period had generally been higher than the Buy-Back Price (i.e. 263 out of 279 trading days);
- (ii) from a historical valuation standpoint, the Buy-Back Price accords a valuation of the Company, in terms of implied P/E Ratio, at approximately 10.8 times, which is lower than the range of P/E Ratios at which the Company was trading during the Review Period;
- (iii) the Share Buy-Back would enable the Company and PwC Nominees to maintain an orderly market trading by conducting the transaction off-market as otherwise, the divestment activities in the market would possibly cause a considerable downward pressure on the price of the Shares;
- (iv) the Share Buy-Back would enhance the Company's earnings per Share as well as NAV per Share, which in turn, is beneficial to the Independent Shareholders;
- (v) the Group is in reasonable financial health and has the necessary financial resources to conduct the Share Buy-Back without significantly compromising its liquidity position required for its normal business operations; and
- (vi) the Group's reasonable business outlook supports the Share Buy-Back as a good opportunity for the Independent Shareholders to increase their stake in the Company without having to contribute any capital outlay,

we consider that although the Share Buy-Back is not conducted in the ordinary and usual course of business of the Group, (i) the terms of the Share Buy-Back Agreement are on normal commercial terms and are fair and reasonable; and (ii) the Share Buy-Back is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Listing Rules IBC and the Takeovers Code IBC to recommend the Independent Shareholders, and we advise the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Share Buy-Back Agreement and the Share Buy-Back.

Yours faithfully,
For and behalf of
Altus Capital Limited

Jeanny Leung
Responsible Officer

Chang Sean Pey
Responsible Officer

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

*Mr. Chang Sean Pey (“**Mr. Chang**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and permitted to undertake work as a sponsor. He is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Mr. Chang has over 25 years of experience in banking, corporate finance advisory and investment management. In particular, he has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.*

1. SUMMARY OF FINANCIAL INFORMATION

The following is a summary of the audited consolidated financial information of the Group for each of the three years ended 30 June 2022, 2023 and 2024, as extracted from the respective published annual reports of the Company:

Consolidated Results

	For the year ended 30 June		
	2024	2023	2022
	<i>AUD\$'000</i>	<i>AUD\$'000</i>	<i>AUD\$'000</i>
REVENUE	29,041	26,848	18,697
Cost of sales	<u>(16,284)</u>	<u>(15,056)</u>	<u>(11,121)</u>
Gross profit	12,757	11,792	7,576
Interest income	1,962	513	58
Other income and gains	144	314	1,127
Administrative expenses	(8,338)	(7,291)	(7,273)
Advertising and marketing expenses	(3,086)	(2,752)	(1,988)
Other operating expenses	–	–	(301)
Finance costs	<u>(725)</u>	<u>(786)</u>	<u>(835)</u>
PROFIT/(LOSS) BEFORE TAX	2,714	1,790	(1,636)
Income tax (expense)/credit	<u>(804)</u>	<u>(702)</u>	<u>308</u>
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,910</u>	<u>1,088</u>	<u>(1,328)</u>
Profit/(Loss) and Total Comprehensive Income Attributable to:			
Owners of the Company	1,917	1,113	(1,299)
Non-controlling interests	<u>(7)</u>	<u>(25)</u>	<u>(29)</u>
	<u>1,910</u>	<u>1,088</u>	<u>(1,328)</u>
EARNINGS PER SHARE FOR PROFIT/ (LOSS) AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic earnings/(loss) per share (AUD cents)	<u>0.080</u>	<u>0.046</u>	<u>(0.054)</u>
Diluted earnings/(loss) per share (AUD cents)	<u>0.075</u>	<u>0.044</u>	<u>(0.054)</u>

	For the year ended 30 June		
	2024	2023	2022
	HK\$	HK\$	HK\$
DIVIDENDS DECLARED (per Share)			
Interim (HK cents)	0.1	–	–
Final (HK cents)	0.2	0.1	–

During the year ended 30 June 2024, a final dividend of HK0.1 cents per Share for the year ended 30 June 2023 and an interim dividend of HK0.1 cents per Share for the six months ended 31 December 2023 were declared and paid to the owners of the Company.

Subsequent to the end of the reporting period for the year ended 30 June 2024, a final dividend of HK0.2 cents per Share for the year ended 30 June 2024 was declared and paid to the owners of the Company.

The total dividend amounts paid to the owners of the Company during the years ended 30 June 2024, 30 June 2023 and 30 June 2022 were AUD941,000, AUD0 and AUD0, respectively.

Consolidated Assets and Liabilities

	For the year ended 30 June		
	2024	2023	2022
	AUD\$'000	AUD\$'000	AUD\$'000
Total assets	77,380	76,239	73,983
Total liabilities	27,262	27,314	26,460
NET ASSETS	50,118	48,925	47,523
Equity			
Share capital	36,547	36,414	36,414
Treasury shares	(2,236)	(2,236)	(2,236)
Reserves	15,405	14,338	12,911
Non-controlling interests	402	409	434
TOTAL EQUITY	50,118	48,925	47,523

An interim dividend of HK0.1 cents per Share for the six months ended 31 December 2023 were declared and paid to the owners of the Company. The Board has resolved not to declare any interim dividend for the six months ended 31 December 2024.

The total dividend amounts paid to the owners of the Company during the six months ended 31 December 2024 and 31 December 2023 were AUD984,000 and AUD468,000, respectively.

Ernst & Young, Recognised Overseas Public Interest Entity Auditor, was the auditor of the Company for each of the three years ended 30 June 2022, 30 June 2023 and 30 June 2024, respectively. There were no qualified opinions issued by Ernst & Young for each of the three years ended 30 June 2022, 30 June 2023 and 30 June 2024, respectively.

2. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for each of the three years ended 30 June 2022, 2023 and 2024 and the six months ended 31 December 2024, together with the management discussion and analysis and significant accounting policies and the relevant notes thereto, are disclosed in the following documents which have been published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.top.edu.au):

- (a) the annual report of the Company for the year ended 30 June 2022 published on 25 October 2022, with the audited consolidated financial statements of the Group set out on pages 98 to 162, a copy of which is available at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1025/2022102501104.pdf>;

- (b) the annual report of the Company for the year ended 30 June 2023 published on 26 October 2023, with the audited consolidated financial statements of the Group set out on pages 97 to 159, a copy of which is available at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1026/2023102601165.pdf>;

- (c) the annual report of the Company for the year ended 30 June 2024 published on 24 October 2024, with the audited consolidated financial statements of the Group set out on pages 100 to 163, a copy of which is available at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1024/2024102400985.pdf>; and

- (d) the interim report of the Company for the six months ended 31 December 2024 published on 24 March 2025, with the unaudited consolidated financial statements of the Group set out on pages 16 to 38, a copy of which is available at:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0324/2025032400880.pdf>.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2025, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

Lease liabilities

As at the close of business on 31 March 2025, the Group had outstanding lease liabilities of AUD13,234,280 in respect of office and buildings used in its operation, which were unguaranteed and unsecured.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, the Group did not have other outstanding mortgages, charges, debentures or other loan capital

issued and outstanding, and authorised or otherwise created but unissued, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or other material contingent liabilities at the close of business on 31 March 2025.

4. MATERIAL CHANGE

The Directors confirm that, save and except for the following, there had been no material change in the financial or trading position or outlook of the Group since 30 June 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date:

- (a) The Group's interest income continued to increase mainly due to increase in bank deposit balance. For the year ended 30 June 2024, the Group's interest income amounted to approximately AUD2.0 million, while for the six months ended 31 December 2024, the Group's interest income amounted to approximately AUD1.5 million, representing approximately 75.0% of the interest income for the year ended 30 June 2024.
- (b) The Group's cash and cash equivalents continued to increase mainly due to cash inflow from operating activities. As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately AUD44.1 million, while as at 31 December 2024, the Group's cash and cash equivalents amounted to approximately AUD46.6 million.
- (c) The Group's contract liabilities continued to increase mainly due to increase in tuition fees received in advance. As at 30 June 2024, the Group's contract liabilities amounted to approximately AUD4.2 million, while as at 31 December 2024, the Group's contract liabilities amounted to approximately AUD5.7 million.

5. NO MATERIAL ADVERSE CHANGE

The Directors confirm that there had been no material adverse change in the financial or trading position or outlook of the Group since 30 June 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

6. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company, 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. The Company has been nationally registered with TEQSA and also approved in May 2018 for Self-Accrediting Authority by TEQSA in the Broad Field of Education in Management and Commerce from AQF levels 5 to 9, which includes bachelor's and master's degree courses. In this Broad Field, the Company's Business School provides quality programs at both undergraduate and postgraduate levels. The relevant courses are also accredited by major professional bodies, such as Association of Chartered and Certified Accountants, CPA Australia Ltd and Chartered Accountants Australia and New Zealand. The Company also founded the first Law School within a private higher education institute when both TEQSA and the Legal Profession Admission Board of New South Wales officially accredited its Bachelor of Laws that enables its graduates to apply for admission as professional lawyers.

Higher Education Environment

Over the past five years, the higher education sector in Australia and around the world has experienced significant upheaval due to unexpected events. The pandemic from 2020 to 2023, the emergence of generative artificial intelligence ("AI") since late 2023, and the changing government policies on international student flows within the

broader context of migration have all played pivotal roles. While the pandemic initiated widespread remote learning and technological innovation, and generative AI has enhanced learning and teaching, the current political climate surrounding migration remains an immediate concern.

In response to public unease about rising migration levels and their impact on rental accommodation costs, the Australian Government proposed a recruitment cap on each higher education institution for 2025, targeting the (non-voting) international student cohort. Although the parliament ultimately did not approve the caps, other mechanisms related to the issuance of student visas have restricted the influx of international students into the Australian higher education system. With a federal election scheduled in the first half of 2025, and both major political parties advocating for reduced international student inflows, the Company is adopting a proactive and risk-minimising stance. International students enrolling in transnational and pathway programs or those recruited into postgraduate research courses are expected to remain uncapped. This sets a strategic agenda for the Company. Additionally, developing new courses aimed at the domestic student market will help mitigate any negative impact of a post-election cap on international students.

New Courses Development

Following a thorough market and competitor analysis, the Company has identified new fields where AI has the least impact. These courses are currently under development. As they fall outside the Company's self-accrediting authority, they will be submitted to TEQSA for accreditation assessment in the first quarter of 2025. The first offerings of these new courses are scheduled for the 2025-2026 financial year.

In November 2024, the academic board of the Company (the "**Academic Board**") approved a comprehensive PhD proposal for submission to TEQSA for accreditation. The PhD will focus on education and leadership, incorporating an industry-oriented research component. Additionally, the Academic Board approved the reintroduction of the Master of Business Research, providing a qualifying pathway for applicants who require extensive research training before undertaking PhD-level research.

To oversee the governance and integrity of the PhD program, a new sub-committee of the Academic Board, the Research Committee, is under establishment. The Research Committee will be composed of two independent experts in doctoral research and a research integrity officer.

A course in Digital Business for undergraduate, specialising in digital marketing and supply chain management, is currently under development.

Furthermore, a micro-credential in Environmental, Social, and Governance (ESG) standards for business is ready and will be launched in the first half of 2025. This is the first micro-credential fully developed by the Company, available entirely online and self-paced, with an AI bot that provides feedback on learners' progress through knowledge checks and final assessments.

Accreditations

Following a review by the NSW Legal Practitioners Admission Board and an independent expert assessment, the Company's Bachelor of Laws was unconditionally reaccredited for five years in October 2024. This significant achievement makes the Company the only non-university higher education provider in the private sector offering an accredited law course, providing to professional certification for practising lawyers.

In September 2024, the joint professional accounting bodies reaccredited the Company's suite of three undergraduate accounting courses and four postgraduate accounting courses for five years, valid until 31 December 2029.

The suite of general and specialised MBA courses underwent an internal reaccreditation review under the Company's self-accrediting authority in the second half of 2024. In addition to a thorough internal review, two external academics were commissioned to review the course, with a report due in early 2025.

Transnational and Pathway Programs

The Company has long-term cooperation with Chinese partner institutions such as Guangxi University of Finance and Economics and Shandong Polytechnic College to provide student pathway programs. These programmes enhance the Company's global reach and provide students with valuable international experience.

Recently, discussions with Liaocheng University have focused on establishing a pathway program where students start their accounting course at Liaocheng University and complete it at the Company, qualifying for provisional membership of CPA Australia.

In December 2024, the Company and the College of Allied Educators in Singapore signed a Memorandum of Understanding to further explore opportunities in Singapore market.

Interstate Campuses

The Company's regional campus in Perth (Western Australia) has quickly developed into a successful education venture. Since its operations in 2023, it has grown to match the student cohort size of the Company's principal campus in Sydney.

Teaching and Learning and Staff Satisfaction Surveys

The results from a teaching and non-teaching staff survey at the Company were released in July 2024 with satisfactory results. Almost 90% of academic respondents expressed a sense of professional competence in their teaching roles. Over two-thirds of respondents felt confident and familiar with processes of identifying at-risk students and academic integrity and felt competent to use existing technology to enhance learning. For non-teaching staff, 96% of respondents agreed or strongly agreed that feedback from direct supervisors helped their growth and development. Flexible working hours and strong support from direct supervisors also scored high.

Data Management and Security

The Company's information technology section has built a data security framework consistent with ISO27001, an internationally recognised standard for managing information security. TEQSA emphasises the importance of protecting student data and aligning with ISO27001, which can be demonstrated through external assessment to provide assurance.

The emergence of AI has introduced new data security challenges. Staff using free public AI systems (e.g., ChatGPT) can accidentally expose sensitive organisational data through their prompts and interactions. The planned implementation of a licensed enterprise AI solution with proper security controls will help protect the Company's confidential information.

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 six months ended 31 December 2024, the tuition fee had remained unchanged compared to the six months ended 31 December 2023.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there is no omission of other matters which would make any statement herein or this circular misleading.

This circular includes particulars given in compliance with the Share Buy-back Code and the Takeovers Code for the purpose of giving information with regard to the Group and the PwC Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. SHARE CAPITAL

Under the Australian Corporations Act, a registered company does not have an authorised share capital and there is no concept of “par value” in respect of issued shares.

The issued shares of the Company (i) as at the Latest Practicable Date; and (ii) immediately after upon Completion assuming that there is no other change in the shareholding structure of the Company between the Latest Practicable and up to Completion, is illustrated below:

As at the Latest Practicable Date	2,436,394,000 Shares
Number of Shares to be bought back	(264,708,000) Shares
Upon Completion	2,171,686,000 Shares

All the Shares in issue rank *pari passu* in all respects with each other including as regards to dividends, voting rights and return of capital. The Shares in issue are listed on the Stock Exchange.

As at the Latest Practicable Date, there were (i) 2,436,394,000 Shares in issue; (ii) performance rights granted but not yet exercised, lapsed or cancelled under the Pre-IPO Performance Rights Plan of the Company, which, upon exercise, are convertible into 124,914,000 Shares; (iii) share options granted and vested but not yet exercised, lapsed or cancelled under the Share Option Scheme of the Company, which, upon exercise, are convertible into 18,931,233 Shares; and (iv) share awards granted and vested but not yet exercised, lapsed or cancelled under the Share Award Scheme of the Company, which, upon exercise, are convertible into 25,000,000 Shares (items (ii), (iii) and (iv), collectively, the “Share Rights”). Other than as disclosed above, as at the Latest Practicable Date, there were no outstanding derivatives, warrants, options or securities which were convertible or exchangeable into Shares.

No Shares had been issued or bought back by the Company since 30 June 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date. Further, no Shares had been bought back by the Company during the 12 month period immediately preceding the date of the Announcement and up to the Latest Practicable Date.

There has been no re-organisation of capital of the Company during the two financial years immediately preceding the date of the Announcement and up to the Latest Practicable Date.

3. DIVIDENDS

During the two years immediately preceding the date of this circular, the frequency and amount of dividends that have been paid out by the Company to the Shareholders are as follows:

- (a) final dividend of HK0.1 cents per Share for the year ended 30 June 2023, which was paid out on or around 18 December 2023;
- (b) interim dividend of HK0.1 cents per Share for the six months ended 31 December 2023, which was paid out on or around 26 March 2024; and
- (c) final dividend of HK0.2 cents per Share for the year ended 30 June 2024, which was paid out on or around 17 December 2024.

As at the Latest Practicable Date, there was no outstanding declared but unpaid dividend in respect of the Shares. It is possible that the Company may make, declare and/or pay a dividend before Completion. If any such dividend is made, declared and/or paid, the Consideration will not be adjusted by an equivalent amount.

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Company's dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval. Details of the final dividend of the year ended 30 June 2024 have been disclosed in the annual report of the Company.

4. MARKET PRICES

The table below shows the closing prices of the Shares on the Stock Exchange (i) at the end of each of the calendar months during the Relevant Period; (ii) on the Last Trading Day; and (iii) on the Latest Practicable Date:

Date	Closing price per Share HK\$
31 October 2024	0.079
29 November 2024	0.071
31 December 2024	0.072
28 January 2025	0.074
28 February 2025	0.060
31 March 2025	0.058
7 April 2025 (Last Trading Day)	0.061
30 April 2025	0.057
27 May 2025 (Latest Practicable Date)	0.057

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.0790 (equivalent to approximately AUD0.0158) each on 28 October 2024 and 31 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.051 (equivalent to approximately AUD0.0102) on 22 May 2025.

5. DISCLOSURE OF INTERESTS

(a) **Interests and short positions of Directors and chief executives of the Company in Shares, underlying Shares and debentures of the Company and associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have under such provision of the SFO); (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; (iii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix C3 to the Listing Rules; or (iv) required to be disclosed under the Takeovers Code, were as follows:

Name of Director/Chief Executive	Capacity/Nature of Interest	Number of Shares and Underlying Shares ^{Note 1}	Approximate % of Shareholding in the Company ^{Note 2}
Mr. Qingquan Yang ^{Note 3}	Beneficial owner; interest in controlled corporation	365,764,000	15.01%
Ms. Xing Shi Huang ^{Note 4}	Executor or administrator	348,826,000	14.32%
Dr. Amen Kwai Ping Lee	Beneficial owner	150,302,000	6.17%
Dr. Rongning Xu ^{Note 5}	Beneficial owner	7,294,274	0.30%
Professor Steven Schwartz ^{Note 6}	Beneficial owner	3,872,000	0.16%

Notes:

- All interests stated are long positions.
- The calculation is based on the total number of 2,436,394,000 Shares in issue as at the Latest Practicable Date.
- Mr. Qingquan Yang directly holds 153,862,000 Shares. Billion Glory, which is wholly-owned by Mr. Yang, directly holds 211,902,000 Shares. Accordingly, Mr. Qingquan Yang is deemed to be interested in 211,902,000 Shares held by Billion Glory by virtue of the disclosure requirements of the SFO.
- Ms. Xing Shi Huang is the widow of the late Dr. Minshen 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. Minshen Zhu under the Pre-IPO Performance Rights Plan of the Company. Such Shares and entitlement form part of Dr. Minshen Zhu's estate. Pursuant to letters of administration granted by the Supreme Court of New South Wales on 24 January 2022, Ms. Xing Shi Huang was appointed as administrator of Dr. Minshen Zhu's estate. As such, Ms. Xing Shi Huang is deemed to be interested in the 348,826,000 Shares within the meaning of Part XV of the SFO.
- This represents Dr. 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.

6. This represents 3,872,000 Shares beneficially owned by Professor Steven Schwartz which have been issued to him pursuant to the exercise of vested performance rights granted to him under the Pre-IPO Performance Rights Plan, subject to the conditions (including vesting conditions) of those rights.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had held or was deemed to hold any interest and/or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; (iii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; or (iv) required to be disclosed under the Takeovers Code.

(b) Interests and short positions of Substantial Shareholders and other persons in Shares, underlying Shares and debentures of the Company and associated corporations

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company) had interests and short positions in the Shares, underlying Shares or debentures of the Company which were required to be (i) disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO; or (ii) entered in the register kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder ^{Note 1}	Capacity/Nature of Interest	Number of Shares and Underlying Shares ^{Note 2}	Approximate % of Shareholding in the Company ^{Note 3}
Ms. Shuling Chen ^{Note 4}	Interest of a spouse	365,764,000	15.01%
Guoli Minsheng	Beneficial owner	351,180,000	14.41%
Mr. Jian Ying Hang ^{Note 5}	Interest in a controlled corporation	351,180,000	14.41%
Mr. Qiu Wen Lu ^{Note 5}	Interest in a controlled corporation	351,180,000	14.41%
The PwC Group ^{Note 6}	Beneficial owner	264,708,000	10.86%
Billion Glory	Beneficial owner	211,902,000	8.70%
Minsheng Education Development ^{Note 7}	Beneficial owner	209,000,000	8.58%
Minsheng Education Group ^{Note 7}	Interest in a controlled corporation	209,000,000	8.58%
Ms. Josephine Kam Shan Lam ^{Note 8}	Interest of a spouse	150,302,000	6.17%
Tristar United Investment Limited	Beneficial owner	150,002,000	6.16%

Notes:

1. The shareholding information of the Shareholders as at the Latest Practicable Date is based on the latest disclosure of interests notices filed by the relevant Shareholders pursuant to Part XV of the SFO.
2. All interests stated are long positions.
3. The calculation is based on the total number of 2,436,394,000 Shares in issue as at the Latest Practicable Date.
4. Ms. Shuling Chen, the spouse of Mr. Qingquan Yang, is deemed to be interested in the shareholding interests of Mr. Qingquan Yang by virtue of the disclosure requirements of the SFO.
5. Mr. Jian Ying Hang and Mr. Qiu Wen Lu jointly hold approximately 55.09% in Guoli Minsheng and Guoli Minsheng directly holds 351,180,000 Shares. Accordingly, Mr. Jian Ying Hang and Mr. Qiu Wen Lu are deemed to be interested in 351,180,000 Shares held by Guoli Minsheng by virtue of the disclosure requirements of the SFO.
6. PwC Nominees is the registered owner of the Buy-Back Shares and holds the Buy-Back 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.
7. Minsheng Education Group is the sole shareholder of Minsheng Education 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 Education Development by virtue of the disclosure requirements of the SFO.
8. Ms. Josephine Kam Shan Lam, the spouse of Dr. Amen Kwai Ping Lee, is deemed to be interested in the shareholding interests of Dr. Amen Kwai Ping Lee by virtue of the disclosure requirements of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors are aware, there were no other persons (other than the Directors and chief executives of the Company) who had any interest and/or short position in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company which were required to be (i) disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO; or (ii) entered in the register kept by the Company pursuant to section 336 of the SFO.

6. ADDITIONAL DISCLOSURES ON INTERESTS AND DEALINGS

As at the Latest Practicable Date:

- (a) save as disclosed in the section headed “Disclosure of Interests” in this Appendix, none of the Directors (or any persons acting in concert with them) were interested in the Shares or had dealt for value in any Shares, warrants, options or securities convertible into Shares, or derivatives in respect of the securities in the Company during the Relevant Period;
- (b) there was no irrevocable commitment to vote in favour of or against the Share Buy-Back Agreement and the transactions contemplated thereunder;
- (c) none of the Shareholders which holds 10% or more of the voting rights of the Company had dealt for value in any Shares, warrants, options or securities convertible into shares, or derivatives in respect of the securities in the Company during the Relevant Period;
- (d) none of the Directors (or any persons acting in concert with them) had borrowed or lent any Shares, warrants, options or securities convertible into Shares, or derivatives in respect of the securities in the Company during the Relevant Period;

- (e) none of the Directors (or any persons acting in concert with them) has acquired or disposed of any voting rights of the Company or has dealt for value in any Shares, warrants, options or securities convertible into Shares, or derivatives in respect of the securities of the Company during the Relevant Period;
- (f) Mr. Qingquan Yang, an executive Director, is the beneficial owner of 153,862,000 Shares and is deemed to be interested in 211,902,000 Shares held by Billion Glory. It is the intention of Mr. Yang and Billion Glory to vote, and his spouse Ms. Shuling Chen to procure Mr. Yang to vote, in favour of the special resolution approving the Share Buy-Back at the EGM in respect of the 365,764,000 Shares;
- (g) Ms. Xing Shi Huang, an executive Director, is the widow of the late Dr. Minshen Zhu and was appointed as administrator of Dr. Minshen Zhu's estate and is deemed to be interested in the 228,506,000 Shares beneficially owned by Dr. Zhu and which form part of Dr. Zhu's estate. As at the Latest Practicable Date, such Shares still form part of Dr. Zhu's estate and has not yet been transferred to Ms. Huang and Ms. Huang has no voting rights in relation to such Shares. If the transfer of such Shares to Ms. Huang is completed by the date of the EGM, it is the intention of Ms. Huang to vote in favour of the special resolution approving the Share Buy-Back at the EGM in respect of the 228,506,000 Shares;
- (h) Dr. Amen Kwai Ping Lee, a non-executive Director, is the beneficial owner of 150,302,000 Shares. It is the intention of Dr. Lee to vote, and his spouse Ms. Josephine Kam Shan Lam to procure Dr. Lee to vote, in favour of the special resolution approving the Share Buy-Back at the EGM in respect of the 150,302,000 Shares;
- (i) Professor Steven Schwartz, an independent non-executive Director, is the beneficial owner of 3,872,000 Shares. It is the intention of Professor Schwartz to vote in favour of the special resolution approving the Share Buy-Back at the EGM in respect of the 3,872,000 Shares;
- (j) Guoli Minsheng is the beneficial owner of 351,180,000 Shares, representing approximately 14.41% the voting rights of the Company. Mr. Jian Ying Hang and Mr. Qiu Wen Lu jointly hold approximately 55.09% in Guoli Minsheng, and are deemed to be interested in 351,180,000 Shares held by Guoli Minsheng. The Company has been notified that it is the intention of Guoli Minsheng to vote, and Mr. Hang and Mr. Lu to procure Guoli Minsheng to vote, in favour of the special resolution approving the Share Buy-Back at the EGM in respect of the 351,180,000 Shares.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates (as defined in the Listing Rules) were interested in any business apart from the Group's businesses which competes or was likely to compete, either directly or indirectly, with the Group's business.

8. DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors had entered into a service contract with the Company for an initial term of three years, commencing from their respective date of appointment/re-designation, and may only be terminated in accordance with the provisions of such service contract, or by a party giving the other party not less than three months' prior notice in writing.

Each of the non-executive Directors had entered into an appointment letter with the Company for an initial term of three years, commencing from their respective date of appointment/re-designation, and may only be terminated in accordance with the provisions of such appointment letter, or by a party giving the other party not less than three months' prior notice in writing.

Each of the independent non-executive Directors had entered into an appointment letter with the Company for an initial term of three years, commencing from their respective date of appointment/re-designation, and may only be terminated in accordance with the provisions of such appointment letter, or by a party giving the other party not less than one month's prior notice in writing.

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group which was not determinable by the Group within one year without payment of compensation, other than statutory compensation.

9. DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, CONTRACTS AND ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group since 30 June 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested, directly or indirectly, which was significant to the business of the Group.

10. MATERIAL LITIGATION

The Directors confirm that, as at the Latest Practicable Date, the Group was not involved in any litigation or claim of material importance, and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Group.

11. EXPERTS AND CONSENTS

Name	Qualifications
Altus Capital Limited	A corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the Independent Financial Adviser
Moore Australia Corporate Finance (WA) Pty Ltd	An independent Australian licenced financial services firm, being the Independent Expert
Somerley Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the Financial Adviser

As at the Latest Practicable Date, none of the abovementioned experts had any shareholding, direct or indirect, in any member of the Group or had any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares any securities in any member of the Group, nor had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group since 30 June 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

Each of the abovementioned experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion in this circular of its respective letter, report and/or opinion in the form and context in which it is included and the references to its name in the form and context in which respectively appears.

12. MATERIAL CONTRACTS

Save for the Share Buy-Back Agreement, there were no material contracts (not being contracts entered into in the ordinary course of business of the Group) entered into by any member of the Group within the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date.

13. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the website of the Company (www.top.edu.au), the website of the Stock Exchange (www.hkexnews.hk) and the website of the SFC (www.sfc.hk) during the period commencing from the date of this circular up to and including the date of the EGM:

- (a) the constitution of the Company;
- (b) the annual reports of the Company for the three financial years ended 30 June 2022, 2023 and 2024, respectively;
- (c) the interim report of the Company for the six months ended 31 December 2024;
- (d) the letter from the Board, which is set out on pages 6 to 20 of this circular;
- (e) the letter from the Listing Rules IBC to the Independent Shareholders, which is set out on pages 21 to 22 of this circular;
- (f) the letter from the Takeovers Code IBC to the Independent Shareholders, which is set out on pages 23 to 24 of this circular;
- (g) the letter from the Independent Financial Adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders, which is set out on pages 25 to 44 of this circular;
- (h) the Independent Expert Report, which is set out in Appendix III of this circular;
- (i) the report from the Financial Adviser on the qualifications of the Independent Expert and the valuation of the Buy-Back Shares, which is set out in Appendix IV of this circular;
- (j) the written consents of the experts referred to in the section headed “Experts and Consents” in this Appendix;

- (k) the Share Buy-Back Agreement referred to in the section headed “Material Contracts” in this Appendix; and
- (l) this circular.

14. GENERAL

- (a) The registered office of the Company is situated at Suite 1, Biomedical Building, 1 Central Avenue, Eveleigh, New South Wales 2015, Australia.
- (b) The principal place of business in Hong Kong of the Company is situated at Room 1916, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (c) The registered office of the share registrar of the Company, Computershare Hong Kong Investor Services Limited, is situated at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
- (d) The registered office of the Financial Adviser, Somerley Capital Limited, is situated at 20/F, China Building, 29 Queen’s Road Central, Hong Kong.
- (e) The registered office of the Independent Financial Adviser, Altus Capital Limited, is situated at 21 Wing Wo Street, Central, Hong Kong.
- (f) The English text of this circular shall prevail over the Chinese translation in the event of inconsistency.



MOORE AUSTRALIA CORPORATE FINANCE (WA) PTY LTD
Australian Financial Services Licence No. 240773

FINANCIAL SERVICES GUIDE

This Financial Services Guide provides financial information about the supply of financial services to the shareholders of Top Education Group Ltd (“**Top Education**”, or “**the Company**”). We have been engaged by Top Education to prepare an Independent Expert’s Report in connection with the Buy-Back of shares from PricewaterhouseCoopers Nominees (A.C.T.) Pty Ltd as bare trustee for the Australian partnership of PricewaterhouseCoopers (“**PWC Nominees**”). Our report has been prepared at the request of the Directors of Top Education for inclusion in the Circular for the Extraordinary General Meeting to be dated on or around 30 May 2025.

Moore Australia Corporate Finance (WA) Pty Ltd

Moore Australia Corporate Finance (WA) Pty Ltd (“**MACF**”) has been engaged by the directors of Top Education to prepare an independent expert’s report expressing our opinion as to whether or not the Proposed Transaction is “fair and reasonable” to the Non-Associated Shareholders of Top Education. MACF holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you, we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). The FSG includes information on the use of general financial product advice and is issued to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide.

We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without considering your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs. Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the Proposed Transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive.

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately AU\$30,000 plus GST.

Remuneration or other benefits received by our employees.

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MACF or related entities, but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

MACF is the licensed corporate advisory arm of Moore Australia Perth, Chartered Accountants. The directors of MACF may also be partners in Moore Australia Perth Chartered, Accountants.

Moore Australia Perth, Chartered Accountants is comprised of a few related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MACF's contact details are set out on our letterhead.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Australia Corporate Finance (WA) Pty Ltd, PO Box 5785, St George's Terrace, Perth WA 6831.

On receipt of a written complaint, we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with the Australian Financial Complaints Authority Limited ("AFCA"). AFCA is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MACF is a member of AFCA. AFCA may be contacted directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 931 678
Facsimile: 03 9613 6399
Email: info@afca.org.au

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27 May 2025

The Directors
Top Education Group Ltd
Suite 1, Biomedical Building
1 Central Avenue
Eveleigh NSW 2015

Dear Directors

INDEPENDENT EXPERT'S REPORT**1. Introduction**

1.1. On 7 April 2025, Top Education Group Ltd (“**Top Education**” or “**the Company**”) entered into a Share Buy Back Agreement (the “**Agreement**”) with PricewaterhouseCoopers Nominees (A.C.T.) Pty Ltd as bare trustee for the Australian partnership of PricewaterhouseCoopers (“**PWC Nominees**”) whereby Top Education agreed to purchase 264,708,000 shares held by PWC Nominees (“**Buy-Back Shares**”) for cash consideration of HK\$11,243,168.30 (equivalent to AU\$2,397,264 as noted in the announcement dated 7 April 2025) (the “**Proposed Transaction**”).

1.2. Further details of the Proposed Transaction are set out in Section 3.

2. Summary and opinion*Purpose of the Report*

2.1. The directors of Top Education have engaged Moore Australia Corporate Finance (WA) Pty Ltd (“**MACF**”) being independent and qualified for the purpose, to prepare an Independent Expert’s Report to express an opinion as to whether the Proposed Transaction is fair and reasonable to the shareholders of Top Education not associated with the Proposed Transaction (the “**Non-Associated Shareholders**”) to assist the Non-Associated Shareholders in their consideration of whether to approve the Proposed Transaction.

2.2. Our assessment of the Proposed Transaction relies on financial information and instructions provided by the Company and the Directors. We have critically analysed the information provided to us, but we have not completed any audit or due diligence of the information which has been provided for the entities which have been valued. This report does not contain any accounting or taxation advice.

Moore Australia Corporate Finance (WA) Pty Ltd as trustee – ABN 41 421 048 107.

An independent member of Moore Global Network Limited – members in principal cities throughout the world.

Liability limited by a scheme approved under Professional Standards Legislation.

Approach

- 2.3. Our report has been prepared having regard to Australian Securities & Investments Commission (“ASIC”) Regulatory Guide 111 *Content of Expert’s Reports* (“RG 111”), Regulatory Guide 112 *Independence of Expert’s* (“RG 112”) and Regulatory Guide 110 *Share Buy-Backs* (“RG 110”).
- 2.4. In arriving at our opinion, we have assessed the terms of the Proposed Transaction, as outlined in the body of our report, by considering the following.
- How the value of the Top Education shares being acquired compares to the value of the consideration being provided;
 - Advantages and disadvantages of approving the Proposed Transaction;
 - Other factors which we consider to be relevant to the shareholders of Top Education in their assessment of the Proposed Transaction; and
 - The position of the shareholders of Top Education should the Proposed Transaction not be successful.
- 2.5. Further information on the approach we have employed in assessing whether the Proposed Transaction is “fair and reasonable” is set out at Section 4 of this Report.

Opinion

- 2.6. We have considered the terms of the Proposed Transaction as outlined in the body of our report and have concluded that the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders of Top Education, as set out in Sections 10 and 11 of this Report.

Fairness

- 2.7. Our assessed values are summarised in the table below.

	<i>Section</i>	Low <i>AU\$</i>	High <i>AU\$</i>
Assessed Fair Value of the Buy-Back Shares on a minority basis	8	4,466,395	5,632,768
Assessed Fair Value of the Consideration payable	9	2,240,876	2,240,876

Source: MACF analysis

- 2.8. In the absence of any other relevant information, in our opinion, this indicates that the Proposed Transaction is fair to the Non-Associated Shareholders of Top Education because the low and high values of the Buy-Back Shares are higher than the respective value of the Consideration payable.

Reasonableness

2.9. RG 111 establishes that an offer is reasonable if it is fair. It may also be reasonable if, despite not being fair, there are sufficient reasons for security holders to approve the Proposed Transaction. We have considered the analysis in Section 11 of this report, in terms of both:

- Advantages and disadvantages of the Proposed Transaction; and
- Other considerations if the Proposed Transaction is successful and the position of shareholders of Top Education if the Proposed Transaction is not successful.

2.10. In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than if it is not approved. We are of this opinion because the Non-Associated Shareholders of Top Education will be better off subsequent to the Proposed Transaction.

2.11. The advantages and disadvantages considered are summarised below. A detailed explanation can be found in Section 11.

Advantages of approving the Proposed Transaction

- The Proposed Transaction is fair
- Non-Associated Shareholders of Top Education will own a larger percentage of the Company as a result of the Proposed Transaction and is expected to increase Non-Associated Shareholders earnings and net assets per share
- The Proposed Transaction can be funded from the existing cash reserves of Top Education
- The Proposed Transaction facilitates the sale of the Buy-Back Shares without the potential impact of an on market sale on the share price

Disadvantages of approving the Proposed Transaction

- The Proposed Transaction will reduce the cash reserves of Top Education
- The Non-Associated Shareholders are not able to participate in the Proposed Transaction

2.12. Other Considerations include:

- If the Proposed Transaction does not proceed, then PWC Nominees may look to sell its shares on market which could have a detrimental effect on the Top Education share price.
- The industry in which Top Education operates is subject to immigration policy changes by the Federal Government. Whilst not yet fully enacted, the policies have broadly received bipartisan support and are widely documented. The expected changes have created uncertainty in the sector and at this stage it is not possible to quantify the potential impact of the regulatory changes on the business of Top Education and therefore we have not adjusted for this uncertainty in our valuation of the Buy-Back Shares. The timing of the Proposed Transaction means that the impact of the

regulatory changes on Top Education will still be uncertain, and the value of the Buy-Back Shares may change materially once the Australian Federal Government bill has passed parliament.

3. Summary of the Proposed Transaction

3.1. On 7 April 2025, Top Education entered into the Agreement with PWC Nominees to acquire the Buy-Back Shares, representing a shareholding in Top Education of approximately 10.9%, for cash consideration of HK\$11,243,168.30 (equivalent to AU\$2,397,264 as noted in the announcement dated 7 April 2025).

Key Conditions of the Proposed Transaction

3.2. The Proposed Transaction is conditional on Top Education obtaining all necessary shareholder and regulatory approvals. Specifically, the Proposed Transaction is conditional on the approval of Non-Associated Shareholders by the requisite majorities under section 257D(1) of the Corporations Act.

Rationale for the Proposed Transaction

3.3. The Proposed Transaction allows Top Education to acquire the Buy-Back Shares using existing cash reserves and mitigate the potential impact on the Company's share price of the disposal of PWC Nominee's substantial shareholding.

Impact of Proposed Transaction on Top Education's Capital Structure

3.4. The table below summarises the impact of the Proposed Transaction on Top Education's shareholders:

Shareholder	Prior to the Proposed Transaction		Shareholder	On completion of the Proposed Transaction	
	No of Ordinary Shares Held	%		No of Ordinary Shares Held	%
Non-Associated Shareholders	2,171,686,000	89.1	Non-Associated Shareholders	2,171,686,000	100.0
PWC Nominees	<u>264,708,000</u>	<u>10.9</u>	PWC Nominees	<u>–</u>	<u>–</u>
Total Ordinary Shares on Issue	<u>2,436,394,000</u>	<u>100.0</u>	Total Ordinary Shares on Issue	<u>2,171,686,000</u>	<u>100.0</u>

3.5. The table above has been prepared on the assumption that none of the existing Top Education options or Performance Rights are exercised prior to completion of the Proposed Transaction.

4. Scope of the report

Regulatory guidance

4.1. In determining whether the Proposed Transaction is fair and reasonable; we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider assisting security holders to make informed decisions about transactions.

- 4.2. The substance of the regulatory framework in relation to selective buy-backs is to ensure that the Non-Associated Shareholders will not be economically and/or financially disadvantaged by not being able to participate in the buy-back.

Adopted basis of evaluation

- 4.3. RG 111 states that a transaction is fair if the value of the consideration payable is less than the value of the asset being acquired (in this case if the value of the consideration being given by Top Education is less than the value of the Buy-Back Shares). This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.
- 4.4. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for Non- Associated Shareholders to approve the Proposed Transaction.
- 4.5. Having regard to the above, MACF has completed this comparison as follows:
- A comparison between the value of the Buy-Back Shares and the value of the Consideration (fairness – see Section 10 Assessment of Fairness);
 - An investigation into other significant factors to which Non-Associated Shareholders might give consideration, prior to approving the Proposed Transaction, after reference to the values derived above (reasonableness – see Section 11 Assessment of Reasonableness).

5. Industry Analysis

Education and Training in Australia

Overview

- 5.1. The Education and Training industry in Australia includes secondary education providers such as public and private schools as well as institutions offering post-secondary education qualifications. More specifically, tertiary education providers include public or private universities, colleges, technical training institutes and private companies that provide different levels of qualifications as per the Australian Qualifications Framework¹.
- 5.2. The tertiary education sector covers highly diverse course offerings. These can range from different areas of study such as professional practice areas, language studies as well as vocational qualifications. They are also classified by the level

¹ AQF qualifications | AQF

of study ranging from a certificate level going all the way up to doctoral degrees. Many education providers within this segment are specialised in their offerings, focussing on specific sectors based on market demand and qualification levels.

- 5.3. The performance of the education services sector can be assessed through metrics such as revenue and student enrolment numbers. While university enrolments experienced a decline during the COVID-19 pandemic due to border closures and government policies affecting international students, recent data indicates a significant rebound. In 2023, international student enrolments in Australian universities increased by 15.2% compared to 2022, nearly returning to pre-pandemic levels observed in 2019. This resurgence underscores the sector's recovery and the renewed global demand for Australian higher education².
- 5.4. The industry wide revenue has observed a slight annualised decrease of 0.5% over the past 5 years to AU\$175.6 billion in 2024-25³. Despite this, the industry remains resilient with revenue projections indicating a modest 1.2% dip in the upcoming year. This reflects ongoing adaptation and potential for recovery as market conditions evolve.

Key Drivers

- 5.5. Target population – The variation in the target population directly influences performance of this industry. An increase in youth population allows for greater demand for the services.
- 5.6. Public funding – Investments in the sector positively impact the performance in many ways. Subsidies and grants for institutions reduce dependence on tuition fees for operational costs, alleviating student pressure and increasing demand for educational services.
- 5.7. Visa costs and regulations – A crucial factor affecting international student numbers is immigration laws. Recent developments include an increase in the cost of student visas and proposed caps on international enrolments. Both major Australian political parties have expressed support for tighter restrictions. With the upcoming federal election, bipartisan support for reducing international

² International Students in Australian Universities 2023

³ IBIS World – Education and Training in Australia Michael Doyle October 2024

student numbers has added further uncertainty for the sector⁴. Any future caps are expected to limit international student commencements with exemptions including, but not limited to, post graduate students, students in a “twinning arrangement” where part of the course is offshore, and students taking standalone English language courses.

- 5.8. Technological advancement – Progress within this area enables increased offerings and facilities. In the recent years, a multitude of remote and hybrid learning opportunities have been emerging. This has led to increased geographical accessibility fuelling enrolment numbers.

Outlook

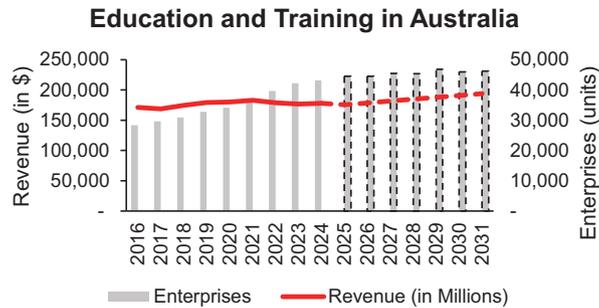
- 5.9. It is projected that government policies along with technological development will greatly influence this industry in the coming years. For domestic students on priority courses, this can be reflected by the introduction of public funding initiatives such as the Commonwealth Prac Payment (CPP) system⁵ which helps them manage the costs of undertaking mandatory placement within courses like teaching and nursing.
- 5.10. For international students, the tightening visa requirements and proposed international student caps will not only impact the education industry but also trickle down to workforce losses. The proposed regulatory changes have seen bipartisan support and are expected to negatively impact international student enrolments from 2025 onwards, threatening industry revenue going forward, particularly in relation to diploma level courses along with Certificate III and IV as these have the highest numbers of international student enrolments⁶.
- 5.11. There is also a potential for employer preferences to shift from traditional degrees as the world evolves. This could mean decreased demand for specialised education institutions. Despite this, the demand for certain professional practice courses, such as medicine and law, is likely to remain unchanged.
- 5.12. Industry wide revenue is expected to grow at an annualised rate of 1.7% through 2029-30, reaching AU\$190.7 billion⁷. Technical and vocational education and training revenue is expected to grow at an annualised rate of 0.9% between 2025 and 2030⁶.

⁴ Dutton playing ‘Donald Trump anti-migration card’ in plan to slash international students, higher education peak body says | Australian election 2025 | The Guardian

⁵ Commonwealth Prac Payment – Department of Education, Australian Government

⁶ IBISWorld Education and Training P8101 Technical and Vocational Education and Training in Australia Nicholas Larter February 2025

⁷ IBIS World – Education and Training in Australia Michael Doyle October 2024



6. Profile of Top Education

Background

- 6.1. Top Education was founded in Sydney in 2001 and was first granted registration as a higher education institute in 2009. It has been listed on the Tertiary Education Quality Standards Agency (TEQSA) National Register as a higher education provider since 2012, followed by a Commonwealth Register of Institutions and Course for Overseas Students (CRICOS) registration in 2015.
- 6.2. During 2018, Top Education was officially listed on the Hong Kong stock exchange (SEHK:1752).
- 6.3. The main operations include 40 course offerings across three fields which are Business, Law and Information Technology through IMC, and intensive English Language courses through SCOTS.

Business Segments

Australian National Institute of Management and Commerce (IMC)

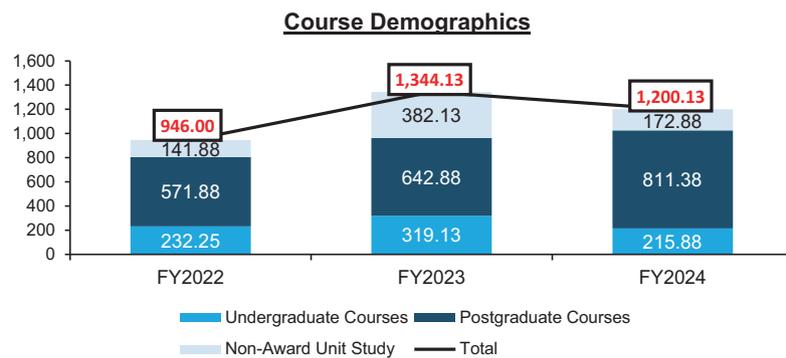
- 6.4. Operating from its Sydney, Hobart and Perth campuses, IMC offers a range of undergraduate, postgraduate and short courses across the broad field of traditional business, law and information technology as well as courses such as data analytics and fintech.
- 6.5. The courses are catered to both domestic and international applicants, but the tuition fees for the latter remains significantly higher for all courses. This is attributed to commonwealth supported places provided to domestic students. There are several entry pathways provided to students, especially non recent school leavers who may not have a valid ATAR or equivalent to support their application. Top Education has educated over 10,000 students, established relationships with over 300 student agencies and signed over 10 memorandums of understanding with universities.

SCOTS English College (SCOTS)

6.6. SCOTS is an English language school based in Sydney, offering a variety of courses tailored to academic, professional, and personal learning goals. Programs range from General English, IELTS and PTE preparation, and English for Academic Purposes, to a School Holiday Program for students aged 7 to 12. The College is located in the Sydney CBD and also delivers high-quality online learning options.

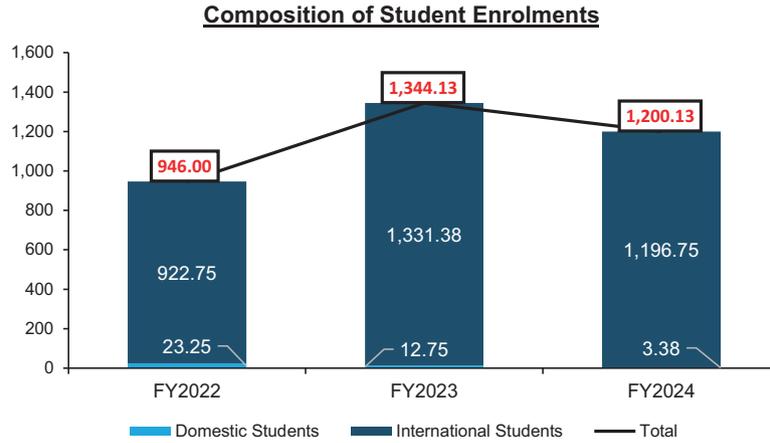
6.7. SCOTS is known for its student-centred approach, with a curriculum designed to accommodate different learning styles and levels. It places strong emphasis on classroom engagement, academic counselling, extracurricular support, and social integration through regular excursions and events. Students benefit from experienced, highly qualified teachers – many of whom hold postgraduate qualifications in TESOL.

Student Enrolments: Higher Education Course Demographics



6.8. Student enrolments at Top Education remain weighted toward postgraduate courses, consistent with sector-wide demand for advanced qualifications. While total enrolments for higher education courses declined during FY24, growth in formal qualification enrolments, particularly in postgraduate programs, aligns with longer term projections for a steady recovery driven by targeted government support and employer preference for higher-level credentials.

Higher Education Student Enrolments: Domestic and International



6.9. Top Education’s student numbers are dominated by international students, making up an average of 98.8% of enrolments in higher education courses across the observed years and 99.7% of enrolments in FY24. This reflects the broader industry trend, where international enrolments surged following the relaxation of COVID-19 travel restrictions. The reliance on international enrolments highlights Top Education’s exposure to policy changes around international student caps and visas.

Business Overview and Strategy

6.10. Top Education is focused on adapting to evolving regulatory changes, especially those impacting international student enrolments given the significant contribution to its revenue. They are also looking at diversifying their program offerings by introducing more courses tailored to domestic students, online learning options and exploring transnational educational opportunities.

Corporate Structure

6.11. As at the date of this Report, Top Education had the following wholly owned subsidiaries:

	Body corporate country of incorporation	Percentage of equity attributable to the Company	Country of tax residence
Top Education Consulting (Beijing) Limited	PRC/ Mainland China	100	PRC/ Mainland China
Top Education Development Pty Ltd	Australia	100	Australia
Scots English College Pty Ltd	Australia	85	Australia
ANIMC Pty Ltd	Australia	100	Australia

Board of Directors

6.12. The current Board of Directors are:

Name	Title	Experience
Dr. Rongning Xu	Executive Director and Chief Executive Officer	Dr. Xu was serving as acting CEO of SCOTS from December 2021 to December 2022. She has over ten years of experience in the higher education industry, a Bachelor of Financial Administration and a Master of Commerce (Accounting and Finance) from the University of New England. Dr. Xu also holds a post graduate certificate of higher education in learning and teaching from Macquarie University and is a member of CPA Australia.
Ms. Xing Shi Huang	Executive Director	Ms. Huang has experience in recruiting students within international education industry in Australia. She was one of the first employees in the Company's business when it was established in 2001.
Mr. Qingquan Yang	Executive Director	Mr. Yang is one of the founders of Top Education and has over 30 years of experience in private asset management and real estate. He has served at senior management positions within various organisations. He has a Bachelor of Civil Engineering from the Harbin Institute of Technology in China and a Master of Business Administration from the Macau University of Science and Technology.

Name	Title	Experience
Mr. Amen Kwai Ping Lee	Chairperson and Non- Executive Director	Mr. Lee is one of the founders of Top Education and joined as a director in 2001. He has over 30 years of experience in management and is an associate fellow of the Australian Institute of Management and was awarded the medal of the Order of Australia in the General Division in Australia in January 2009.
Mr. Yi Dai	Non-Executive Director	Mr Dai has 10 years' experience in finance and investment and has acted as the managing director of Xinjiang Guoli Minsheng Equity Investment Co., Ltd, and is responsible for overseeing its equity and security investment activities. He has a Bachelor of Science from the University of California in San Diego and Masters of Business Administration from California State Polytechnic University.
Mr. Edward Chiang	Non-Executive Director	Mr. Chiang has held several different roles in listed companies in Hong Kong ranging from director of investor relations at Minsheng Education Group Company Limited to corporate finance manager of Kingsway Capital Limited. He has a Bachelor of Arts (majoring in Business Law) from Macquarie university.
Mr. Tianye Wang	Independent non-executive Director	Mr. Wang has over 20 years of experience in management and financial services and has held various positions in listed companies in Hong Kong. He has a diploma in international finance from the Renmin University School of Finance in China, and a Master of Applied Finance from the Macquarie University in Australia. He was also admitted as a Senior Associate of the Australian Institute of Banking and Finance.
Professor Steven Schwartz	Independent Non-Executive Director	Professor Schwartz has over 20 years of experience in higher education. From 1996 to 2002, 2002 to 2005, and 2006 to 2012, Professor Schwartz served as vice chancellor of Murdoch University, Brunel University, and Macquarie University, respectively, where he was responsible for academic growth and development. Professor Schwartz is a fellow of the Academy of Social Sciences in Australia. He is currently an honorary senior fellow of the LH Martin Institute of the University of Melbourne and was awarded the Order of Australia in January 2013.

Name	Title	Experience
Mr. Jonathan Richard O’Dea	Independent Non-Executive Director	Mr. O’Dea has held several senior leadership roles across private and public sectors in Australia. Between 2007 and 2023, Mr. O’Dea was a member of the New South Wales Parliament, serving local constituents and contributing to policy and reform initiatives. Mr. O’Dea has also served as Speaker of the NSW Parliament from 2019-2023. He holds a Bachelor of Arts and Laws from the University of Sydney, a Graduate Diploma of Legal Practice from the NSW College of Law, a Master of Laws from the University of Sydney and a Master of Business Administration from Deakin University in Australia. In 2009, he was awarded an Advanced Diploma with Order of Merit from the Australian Institute of Company Directors.
Professor Dominic Robert Beresford Verity	Independent Non-Executive Director	Professor Verity is a Professor at the Mathematical Sciences Institute of Australian National University and an Emeritus Professor of the School of Mathematical and Physical Sciences at Macquarie University. He has extensive experience in the field of mathematics and computer science, having worked as a software developer and programmer and in the investment banking industry before returning to academia in 2000. Since then, he has held various executive positions at Macquarie University and was elected Chair of the Academic Senate at Macquarie University, responsible for the overall leadership of the academic governance of the university.

Historical Financial Information

- 6.13. The historical financial information for Top Education has been extracted from the audited financial statements of the Company for the years ended 30 June 2022, 2023 and 2024. The financial information for the six months to 31 December 2024 has been extracted from the interim financial statements for the six months then ended.

Historical Statement of Financial Performance

- 6.14. The information below provides a summary of the financial performance of Top Education for the years ended 30 June 2022, 2023 and 2024 and the six months to 31 December 2024.

Consolidated Statement of Financial Performance		FY22	FY23	FY24	HY25
		Audited	Audited	Audited	Unaudited
Ref	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000
Income					
	Course fee income	<i>i</i> 17,048	25,044	26,967	14,970
	Other service fee income	<i>ii</i> 1,649	1,804	2,074	1,046
	Costs of sale	<i>iii</i> (11,121)	(15,056)	(16,284)	(9,397)
	Gross Profit	7,576	11,792	12,757	6,619
	GP %	41%	44%	44%	41%
	Interest income	<i>iv</i> 58	513	1,962	1,533
	Forex gain	2	2	–	3
	Government grants	<i>v</i> 166	166	25	25
	Other income	<i>x</i> 959	146	119	47
Expenses					
	Administrative expenses	(7,192)	(7,040)	(8,113)	(4,347)
	Advertising and marketing	(1,988)	(2,752)	(3,086)	(1,342)
	Other operating costs	(301)	–	–	–
	Finance costs	<i>x</i> (835)	(786)	(725)	(373)
	Share based payments	(81)	(251)	(225)	(17)
	Profit/(Loss) before tax	(1,636)	1,790	2,714	2,148
	Tax expense	308	(702)	(804)	(595)
	Profit/(Loss) after tax	(1,328)	1,088	1,910	1,553
EBITDA					
	Depreciation	1,062	1,022	931	509
	Amortisation	2,032	2,247	2,018	931
	Amortisation (ROU assets)	1,917	1,917	2,053	1,166
	Finance costs	835	786	725	373
	Interest income	(58)	(513)	(1,962)	(1,533)
	EBITDA	4,152	7,249	6,479	3,594
	EBITDA %	22%	27%	22%	22%

6.15. We note the following in relation to the financial performance of Top Education:

- i. Revenue is primarily derived from tuition fees, which are recognised proportionately over the relevant period of the course. 100% of tuition fee revenue is generated within Australia.

Revenue has increased period on period as a result of post pandemic recovery which led to an increase in global mobility and the return of international students.

- ii. Other service fee income relates to fees earned from co-operative programs with universities in China.
- iii. Costs of sale comprise of staff costs, depreciation and amortisation, premises expenses and other student related costs such as agent commission.
- iv. Interest income has risen with the increase in interest rates.
- v. Government grants largely relate to Covid-19 grants and government support payments, apart from more recently, the Export Market Development Grant
- vi. Finance costs relate to the interest on lease liabilities.

Historical Statement of Financial Position

6.16. The information below provides a summary of the financial position of Top Education as at 30 June 2022, 2023, 2024 and 31 December 2024.

Consolidated Statement of Financial Position		30 June 2022	30 June 2023	30 June 2024	31 Dec 2024
<i>Ref</i>	Audited	Audited	Audited	Unaudited	
	<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AU\$'000</i>	<i>AU\$'000</i>	
Assets					
Current Assets					
Cash	<i>i</i>	33,225	41,732	44,072	46,588
Term deposits		1,740	1,742	2,086	2,089
Other assets and prepayments		571	332	311	116
Other receivables		1,731	446	489	1,411
Trade receivables		550	344	197	291
Total Current Assets		37,817	44,596	47,155	50,495
Non-Current Assets					
Property, plant & equipment	<i>ii</i>	9,824	8,891	8,407	7,946
Intangible assets	<i>iii</i>	11,165	9,492	7,781	7,107
Goodwill	<i>iv</i>	1,533	1,533	1,533	1,533
Right of use assets	<i>v</i>	12,456	10,539	11,123	9,957

APPENDIX III
INDEPENDENT EXPERT REPORT

Consolidated Statement of Financial Position	Ref	30 June	30 June	30 June	31 Dec
		2022	2023	2024	2024
		Audited	Audited	Audited	Unaudited
		AU\$'000	AU\$'000	AU\$'000	AU\$'000
Prepayments		1,188	1,188	1,188	1,188
Deferred tax asset	vi	–	–	193	470
Total Non-Current Assets		36,166	31,643	30,225	28,201
Total Assets		73,983	76,239	77,380	78,696
Current Liabilities					
Trade payables		2,022	2,615	2,655	2,997
Other payables and accruals		2,104	1,747	2,470	2,573
Unpaid leave obligations		1,328	1,543	1,809	2,016
Lease liabilities	v	1,179	2,128	2,562	2,434
Contract liabilities	vii	3,862	5,982	4,246	5,691
Tax payables			355	685	596
Total Current Liabilities		10,495	14,370	14,427	16,307
Non-Current Liabilities					
Lease liabilities	v	15,056	12,412	12,518	11,339
Unpaid leave obligations		150	192	151	199
Deferred tax liability	vi	561	193	–	–
Accrual for reinstatement cost		198	147	166	147
Total Non-Current Liabilities		15,965	12,944	12,835	11,685
Total Liabilities		26,460	27,314	27,262	27,992
Net Assets		47,523	48,925	50,118	50,704
Equity					
Contributed equity		36,414	36,414	36,547	36,547
Treasury shares		(2,236)	(2,236)	(2,236)	(2,236)
Share based payment reserve		4,294	4,609	4,700	4,717
Retained earnings		8,617	9,729	10,705	11,313
Non-controlling interest		434	409	402	363
Total Equity		47,523	48,925	50,118	50,704

- 6.17. We note the following in relation to Top Education's financial position:
- i. Cash as at 31 December 2024 includes short term deposits with a maturity date of less than three months.
 - ii. Property, plant and equipment mostly relates to office and classroom equipment and teacher reference books.
 - iii. Intangible assets comprise capitalised course development expenditure, agent relationships, registration and other development expenditure and trademarks.
 - iv. Goodwill was recognised through the acquisition of Scots English College Pty Ltd during FY21.
 - v. Right of use assets relate to various contracts for office premises used in the business operations.
 - vi. Deferred tax is stated on a net basis.
 - vii. Contract liabilities relate to short term advances received prior to the beginning of the academic term from students for courses not yet provided.

Dividends

- 6.18. Top Education has historically paid dividends to shareholders as per the table below:

Period	Dividends paid since 1 January 2020	
	Payment date	Amount per share (HK\$)
FY20	18/12/2020	0.0030
FY23	18/12/2023	0.0010
HY24	26/03/2024	0.0010
FY24	17/12/2024	0.0020

- 6.19. The Board has resolved not to declare an interim dividend for the period ended 31 December 2024.

Ownership Structure

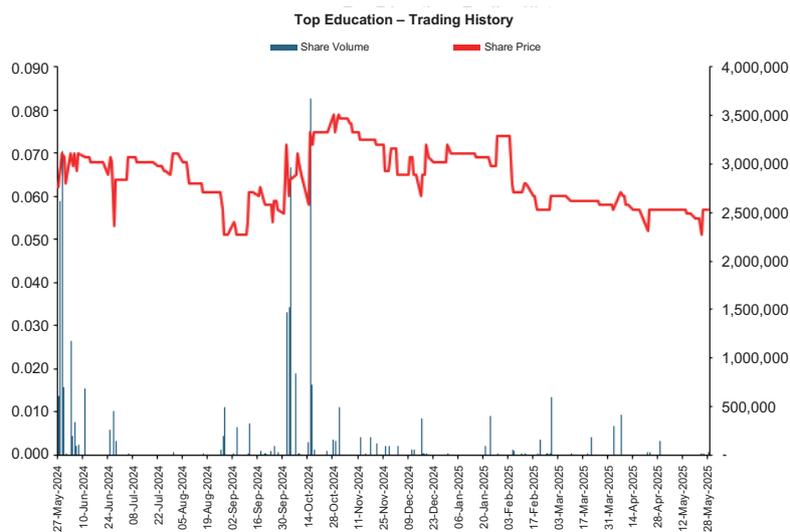
6.20. As date of this Report, Top Education had 2,436,394,000 ordinary shares on issue. Details of the top 10 shareholders as at 28 February 2025 are as follows:

Shareholder	No. of Shares	Shareholding %
Xinjiang Guoli Mingsheng PricewaterhouseCoopers Nominees (A.C.T.) Pty Ltd	351,180,000	14.4%
Xing Shi Huang (the administrator of Minshen Zhu's estate)	264,708,000	10.9%
Billion Glory Group Holdings Ltd	228,506,000	9.4%
Minsheng Education Development Company Limited	211,902,000	8.7%
Qingquan Yang	209,000,000	8.6%
Amen Kwai Ping Lee	153,862,000	6.3%
Tristar United Investment Ltd (NZ)	150,302,000	6.2%
Xin Wang	150,002,000	6.2%
Loyal Creation Investment Ltd	116,382,000	4.8%
Total	1,907,552,000	78.3%

Source: Top Education share register as at 28 February 2025

Share Price Performance

6.21. The figure below sets out a summary of the closing share price and volume of Top Education shares traded for the 12 months ending 26 May 2025, being the last day shares were traded up to the date of this Report.



Source: S&P Capital IQ

6.22. Over the 12 months ending 26 May 2025, Top Education's share price ranged from a minimum of HK\$0.051 in May 2025 to a maximum of HK\$0.079 in October 2024. In the month leading up to 26 May 2025, the price fluctuated

between a low of HK\$0.051 and a high of HK\$0.057. Over the whole 12 month period shown above, just 1.17% of Top Education's total shares were traded. During this same period, there were no non-routine announcements made by the Company apart from on 30 September 2024 when the Company announced an increased final dividend for FY25. This led to a temporary increase in trading and share price.

- 6.23. Following the announcement of the Proposed Transaction on 7 April 2025, there has been very little trading in the Company's shares, with just 260,000 shares trading during the 30 trading days to 26 May 2025. These shares traded at between HK\$0.051 and HK\$0.057, which is lower than the share price on the date of the announcement, being HK\$0.061.

7. Valuation approach

Definition of Value

- 7.1. RG 111 states that a transaction is fair if the value of the consideration being paid is less than the value of the asset being acquired (i.e. the Buy-Back Shares). This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to approve the Proposed Transaction.

Valuation Approach Adopted

- 7.2. There are a number of methodologies which can be used to value a company. The principal methodologies which can be used are as follows:

- Capitalisation of current maintainable earnings ('CME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Net tangible asset value ('NTA')
- Market approach method (Comparable market transactions)

- 7.3. A summary of each of these methodologies is outlined in Appendix B.

Value of Buy-Back Shares

- 7.4. In assessing the value of the Buy-Back Shares, we have chosen to apply the CME method as our primary methodology and QMP and NTA as our secondary methodologies. This was selected on the following basis:

- Top Education has a history of profitable earnings;
- We do not consider that a DCF basis of valuation (which would require a forecast cash flow for a period of up to 5 years) is appropriate as the directors of Top Education are not able to forecast the cash flows of the Company reliably and accurately;

- In the absence of reliable cash flow forecasts, CME is a reasonable proxy for operating cash flows;
- There are publicly listed companies with operations sufficiently similar to Top Education to provide meaningful analysis;
- NAV or NTA are not usually preferred for a trading business as the value of the business is not derived from the value of its tangible assets. However, we can use this as a cross check to represent the minimum value of Company;
- We have also considered the QMP methodology as a secondary cross check. The QMP methodology is relevant as Top Education is listed on a regulated exchange where its shares are traded. We have considered these factors further in Section 8 of this report.

7.5. We have valued the Buy-Back Shares on a minority basis due to the size of the holding.

Value of Consideration

7.6. The Consideration payable under the Proposed Transaction is cash based, payable on completion and is therefore readily determined.

8. Valuation of Buy-Back Shares

8.1. As stated at Section 7 we have primarily assessed the value of the Buy-Back Shares using the CME methodology and using QMP and NTA as our cross check methodologies.

Primary Methodology: CME

8.2. The assessed value of the Buy-Back Shares is as follows:

	<i>Ref</i>	Low <i>AU\$'000</i>	High <i>AU\$'000</i>
Equity Value of Top Education on a controlling basis	8.3	53,388	62,463
Minority Interest Discount	8.44	<u>23%</u>	<u>17%</u>
Equity Value of Top Education on a minority interest basis		<u>41,109</u>	<u>51,844</u>
Number of shares on issue in Top Education	3.4	<u>2,436,394,000</u>	<u>2,436,394,000</u>
Value per Top Education Share		<u>AU\$0.017</u>	<u>AU\$0.021</u>
Number of Buy-Back Shares	3.4	<u>264,708,000</u>	<u>264,708,000</u>
Total Value of Buy-Back Shares on a minority basis		<u>AU\$4,466,395</u>	<u>AU\$5,632,768</u>

Source: MACF analysis

Enterprise value

8.3. We have assessed the enterprise value of Top Education on a control basis using the capitalisation of CME methodology, as summarised in the table below.

Assessed value of Top Education on a control basis

	<i>Ref</i>	Low <i>AU\$'000</i>	High <i>AU\$'000</i>
Assessed EBITDA of Top Education	8.12	4,426	4,831
Assessed EBITDA multiple for Top Education	8.13	<u>6.9</u>	<u>8.2</u>
Enterprise value on a control basis		30,539	39,614
Add/(less) surplus assets/(liabilities)	8.39	–	–
Add/(less) working capital surplus/ (deficit)	8.40	(12,055)	(12,055)
Add/(less) net cash/(debt)	8.43	<u>34,904</u>	<u>34,904</u>
Equity Value on a control basis		<u>53,388</u>	<u>62,463</u>

Source: MACF analysis

8.4. The capitalisation of earnings methodology estimates the value of the equity of a company by capitalising the current maintainable earnings of the underlying business at an appropriate multiple, which reflects the underlying risk profile and growth prospects of the business applying a premium for control where necessary, adding the value of any surplus or non-operating assets (or deducting any excess or non-operating liabilities) and deducting net debt (or adding net cash). Accordingly, valuing Top Education using the capitalisation of maintainable earnings methodology requires the determination of the following variables:

- current maintainable earnings;
- an appropriate capitalisation multiple;
- an appropriate premium for control;
- the current level of net debt or net cash; and
- the value of surplus assets or liabilities.

8.5. Our considerations with regard to each of these factors is presented below:

Current maintainable earnings

8.6. Our calculation of current maintainable earnings of Top Education is based on Top Education's earnings before interest, tax, depreciation and amortisation (EBITDA). We have used EBITDA as it allows earnings and therefore appropriate capitalisation rates to be compared to other companies as:

- the EBITDA calculation is unaffected by capital structure (level of gearing);

- the EBITDA calculation is not impacted by tax structure or different income tax rates; and
 - EBITDA is a fair representation of the actual cash that flows through the company.
- 8.7. In assessing current maintainable earnings, we have had regard to the following financial results:
- Audited financial statements for Top Education for the years ended 30 June 2023 and 2024;
 - Reviewed interim financial statements for Top Education for the six months ended 31 December 2024;
 - Unaudited management accounts of Top Education for the three months ended 31 March 2025; and
 - Unaudited forecast financial information for Top Education for the period ended 30 June 2025.

Financial performance of Top Education

- 8.8. We have made the following normalisation adjustments to the EBITDA for Top Education:

Normalisation Adjustments	<i>Ref</i>	FY23 Actual AU\$'000	FY24 Actual AU\$'000	HY25 Annualised* AU\$'000
EBITDA	<i>6.14</i>	7,249	6,479	7,188
Adjustments:				
Less amortisation on ROU assets	<i>8.10</i>	(1,917)	(2,053)	(2,332)
Less government grant	<i>8.12</i>	—	—	(25)
Adjusted EBITDA		5,332	4,426	4,831

Source: MACF analysis

* Annualised HY25

- 8.9. We have made enquiries regarding any potential normalisation adjustments to the EBITDA for Top Education and have confirmed that there are no significant one off transactions or non-business expenses included in the profit or loss account for Top Education for the periods noted above that require adjustment.
- 8.10. We have expensed the amortisation of right of use assets in order to be consistent with EBITDA reporting for comparable companies.
- 8.11. We have adjusted for a government grant received during HY25 that is not appropriate to annualise.

- 8.12. On the basis of our review of the financial information, and from our discussions with management and our comments above, we consider the current maintainable EBITDA of Top Education to be between AU\$4.4m and AU\$4.8m. This has been assessed based on the range of EBITDA between the actual EBITDA achieved in FY24 and the annualised HY25 results.

Assessment of Capitalisation Multiple

- 8.13. Based on our analysis of comparable company multiples, we consider an appropriate controlling multiple for Top Education to be in the range of 6.9 to 8.2 times based on an analysis of comparable trading multiples and comparable transactions.

	<i>Ref</i>	Multiple Range	
		Low	High
EBITDA multiple for Top Education	8.37	6.9x	8.2x

- 8.14. In selecting an appropriate capitalisation multiple to value Top Education, we have considered the trading multiples of equities of listed companies based on the following criteria:

- Exposure to the provision of tertiary and vocational education, particularly those also servicing international students. We have excluded companies whose primary focus is early education or primary and secondary school education;
- EBITDA greater than AU\$nil;
- Market capitalisation less than AU\$100m; and
- Operations largely in Australia with primary or secondary listing on the ASX.

- 8.15. We considered comparable companies with the above criteria listed on the Hong Kong Exchange rather than the ASX and noted that those companies catered almost entirely to domestic students located in the People's Republic of China and as such their business models were not sufficiently comparable to Top Education's.

Comparable trading company multiples

- 8.16. The table below sets out a summary of the historic EBITDA multiples of entities listed on the ASX whose operations and activities are comparable to those of Top Education using the specific criteria noted in paragraph 8.14 above. We note that due to the niche nature of the industry in which Top Education operates there were only two truly comparable companies identified. A brief description of each of the comparable companies is set out at Appendix D.

Summary of comparable company trading multiples

Company Name	Ticker	Market Cap AU\$m	Cash AU\$m	Debt AU\$m	Enterprise Value* AU\$m	31/12/24 Net Assets AU\$m	Dividend Yield %	FY24 EBITDA AU\$m	LTM EBITDA AU\$m	FY24 EBITDA Multiple (x)	LTM EBITDA Multiple (x)
EDU Holdings Limited**	ASX:EDU	21.1	6.5	10.5	30.4	12.4	Nil	4.4	4.4	6.9	6.9
NextEd Group Limited	ASX:NXD	29.9	13.7	44.2	67.9	26.3	Nil	7.2	4.7	9.4	14.4
Average/ Median										8.2	10.7

Source: S&P Capital IQ, MACF analysis

* Includes a premium of control of 25% as per paragraph 8.22

** Has a financial year end of 31 December 2024

- 8.17. A total of 2 publicly listed companies were identified as reasonably comparable based on the search criteria above. We note that the number of comparable companies is small, this is due to the niche nature of the education service provided.
- 8.18. We make the following observations in relation to the comparable companies identified:
- EDU provides tertiary and vocational education services in Australia, with a focus on health and community services and provides services to domestic and international students. It is the most comparable company to Top Education in terms of services offered and size of operations. EDU experienced substantial growth between CY23 and CY24 with revenue nearly doubling during that period due to a surge in enrolments under an expanded course portfolio focussing on skill shortages. Prior to the year ended 31 December 2024, EDU was generating an EBITDA loss. During February 2025 EDU released earnings guidance for CY25, with revenue and net profit expected to grow following enrolment increases. The share price increased after the announcement but only for a short period before falling back down to preannouncement levels. EDU's stock is not considered liquid with just 2.61% of EDU stock having been traded in the last 90 days.
 - NXD provides a broad range of education services in Australia, Europe and South America. It has a focus on vocational services, including to international students and is larger than Top Education in terms of revenue and EBITDA. NXD went through a strong growth phase with revenue more than doubling between FY21 and FY22 and then more than doubling again between FY22 and FY23 after the acquisition of Redhill Education Limited. The LTM revenue indicates a 21% decline year on year, with management citing the impact of government restrictions on international student enrolments. The led to a 30% decline in year on year EBITDA and a net loss after tax (after the impairment of intangible assets). NXD's share price has been relatively volatile in recent periods, with the share price increasing following the release of its results for the half year ended 31 December 2024, despite the fall in EBITDA.

- 8.19. Based on our analysis, EDU represents the most comparable company to Top Education. As such, we have used the EDU multiple of 6.9x in our low valuation of Top Education. In our high valuation we have used the FY24 average multiple of 8.2x. This is because analysis of the historic multiple for NXD has indicated that the LTM EBITDA multiple for NXD is inflated due to the recent decline in earnings.

Adjustments to the comparable company trading multiples

Control premium

- 8.20. We note that the share price of a listed company represents the market value of a non-controlling interest in that company and, as such, any earnings multiple derived from those share prices are consequently non-controlling multiples and they do not reflect a premium for control. In order to calculate the value of a controlling interest prior to adjusting for surplus assets/liabilities and net debt, we must apply a control premium to the enterprise value multiple.
- 8.21. We have reviewed the control premiums paid in recent years by companies listed on the ASX. There is significant variability in control premiums paid which are affected by such factors as:
- Nature and magnitude of non-operating assets;
 - Quality of management;
 - Nature and magnitude of business opportunities/assets not currently being exploited;
 - Degree and confidence in future synergies;
 - Level of pre-announcement speculation of the transaction;
 - Level of liquidity in the trade of the acquiree's securities; and
 - The stage in the economic cycle.
- 8.22. A review of control premiums paid by acquirers of companies listed on the ASX in recent years indicates a range of premiums between 20% and 30% is reasonable. We believe that this reflects an appropriate rate of control premia to be applied in our valuation of Top Education.

Business specific risk

- 8.23. The EBITDA multiple derived, prior to considering business specific risk is based on our analysis of comparable companies. We consider it appropriate to further consider additional factors specific to Top Education which should be reflected in adopting an appropriate EBITDA multiple to apply to the Company.
- 8.24. Consideration of business specific risk results in an adjustment made to comparable company trading multiples in order to allow for the perceived differences between the comparable companies used to arrive at a comparable multiple and the target business being valued, which are then taken into account in arriving at the specific multiple selected to be applied to the target business being valued. It is not limited solely to consideration of the risks specific to the target business being valued but also to consideration of investment related risks from a potential investor's perspective.

- 8.25. In carrying out this analysis the information we have obtained in respect of the comparable companies is limited to that information that is publicly available from those companies and our interpretation of that information. Accordingly, there is an element of judgement applied in arriving at the business specific risk to apply to Top Education. Business specific risk is a subjective adjustment made to comparable company trading multiples in order to allow for the differences between the comparable companies used to arrive at a comparable multiple and the specific multiple applied to the business being valued.
- 8.26. When assessing any business specific risk adjustment, we have considered the following:
- Top Education is a public listed company;
 - Top Education has similar scale and diversification to the comparable companies, although only operates within Australia (like EDU);
 - Top Education and the comparable companies are reliant on continued demand from international students, making them vulnerable to changes in the regulatory environment and government policies (including recent discussions by the Australian Government around international student caps and stricter visa policies), global mobility etc. We note that the comparable companies cater to international students and are therefore also exposed to this risk, in addition these companies have publicly released information about their exposure and plans to mitigate the potential impact.
 - Top Education has lower revenue and EBITDA to the comparable companies, although its net assets are higher than the comparable companies.
- 8.27. In terms of allocating business specific risk to specific factors we have assessed that the comparable companies, particularly EDU, and Top Education are very similar in terms of size and operations and are exposed to the same risk factors, including uncertainties surrounding international student caps in Australia and the potential impact on growth. Based on this analysis, we are of the opinion that Top Education carries similar risk to the comparable companies and as such we do not consider that a business specific risk adjustment is appropriate to value Top Education.

Comparable transaction multiples

- 8.28. In order to provide a comparison and cross check to the multiple assessed above, we have considered recent comparable transaction multiples. Our assessment below is broadly supportive of the trading multiples noted.
- 8.29. We have reviewed transactions on the following basis:
- Target companies with exposure to the provision of tertiary and vocational education, particularly those also servicing international students. We have excluded companies whose primary focus is early education or primary and secondary school education;
 - Transactions completed in the last 5 years;
 - Target company EBITDA greater than AU\$nil; and
 - Target company operations largely in Australia.

8.30. The table below sets out a summary of the historic EBITDA multiples of transactions whose target company operations are comparable to those of Top Education using the specific criteria noted in paragraph 8.29 above. We note that due to the niche nature of the industry in which Top Education operates there was only one truly comparable target company identified. A brief description of this target company is set out at Appendix E.

Summary of transaction multiple

Target Company	Ticker	Deal value AU\$m	Equity acquired	Consideration	Revenue AU\$m	EBITDA AU\$m	Implied EBITDA Multiple (x)
Redhill Education Limited	ASX:RDH	74.4	100%	100% scrip in NXD	64.6	9.5	7.8

Source: MergerMarket, MACF analysis

8.31. One comparable transaction was identified as reasonably comparable based on the search criteria above.

8.32. We make the following observations in relation to the comparable transaction identified:

- During October 2021 NXD completed the acquisition of RedHill Education Limited (“RedHill”) via an off market takeover. RedHill provides education and agency services for domestic and international students, including English language tests in Australia, Europe and South America. The consideration payable was 100% scrip. Using RedHill’s EBITDA, the implied EBITDA multiple was 7.8x. We note that the combined entity is currently trading on the ASX as NDX with a controlling LTM multiple of 14.4x and a FY24 multiple of 9.4x. Although larger in size and scale, RedHill is directly comparable to Top Education.

8.33. We note that the enterprise value and EBITDA multiple applied in our analysis is based on metrics disclosed at the time of each transaction. As such, the valuation data reflects the market conditions, expectations, and strategic considerations prevailing at the time of the deal, rather than current trading levels or forecast earnings. While the earnings data used in the comparable transaction may not always align with the latest financial reporting periods, it provides a reliable basis for valuation given the recent transaction date.

8.34. Based on the observed transaction data, the implied EBITDA multiple broadly supports the multiple derived from the trading companies above. Given the specific characteristics of the target business, including its focus on international student markets and vocational education, we consider this range to be an appropriate benchmark for valuation purposes.

Adjustments to the comparable transaction multiples

Control premium

8.35. The comparable transaction multiple includes a premium for control as it is a majority acquisition and therefore a premium for control is already factored into the deal value.

Business specific risk

- 8.36. Based on our analysis of business specific risk and the target company identified, we are of the opinion that Top Education carries the same level of risk than the comparable transaction used in our analysis. We therefore have not applied a business specific risk discount to the comparable transaction multiple.

Conclusion on capitalisation multiple

- 8.37. Based on our analysis of comparable company multiples, we consider an appropriate controlling multiple to be in the range of 6.9 to 8.2 times based on an assessment of both comparable trading companies and comparable transactions.

Equity Value

- 8.38. In calculating the equity value of Top Education, we make the following adjustments to the Enterprise Value:

Surplus assets/(liabilities)

- 8.39. Surplus assets and liabilities are those assets and liabilities not required to sustain the adopted level of earnings. We have reviewed the net assets of Top Education as at 31 December 2024 and do not consider any of the assets and liabilities to be surplus to the operations of the business.

Working Capital

- 8.40. We have reviewed the working capital position of Top Education as at 31 December 2024. Our working capital analysis is based on a calculation that excludes cash or cash equivalents and any short-term finance balances as these balances are separately included in the net cash/debt adjustment below.
- 8.41. We have not had access to monthly balance sheet information in order to calculate an average working capital position for Top Education over the prior 12 months and instead have used book values as at 31 December 2024. Based on the 31 December 2024 numbers, working capital was a deficit of AU\$12.1m. Whilst the working capital balance appears low, this is reasonable for Top Education given the low value of trade receivables and substantial cash balance.
- 8.42. We have assessed the Top Education working capital deficit as at 31 December 2024 as follows:

		31 December 2024
	<i>Ref</i>	<i>AU\$'000</i>
Current assets	6.16	50,495
Less cash balances assessed as cash	6.16	(46,588)
Less term deposits assessed as cash	6.16	(2,089)
Current liabilities	6.16	(16,307)
Add back current lease liabilities (assessed as debt)	6.16	2,434
Net working capital deficit		<u>(12,055)</u>

Source: MACF analysis

Net cash/debt

8.43. We have assessed that Top Education has the following cash and debt as at 31 December 2024:

		31 December 2024
	<i>Ref</i>	<i>AU\$'000</i>
Cash and cash equivalents	6.16	46,588
Term Deposits	6.16	2,089
Lease liabilities (current and non-current)	6.16	<u>(13,773)</u>
Net cash		<u><u>34,904</u></u>

Source: MACF analysis

Minority Discount

8.44. A review of control premiums paid by acquirers of companies listed on the ASX in recent years indicates a range of premiums between 20% and 30% is reasonable (refer to Section 8.20 to 8.22 of this Report). The minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - [1 / (1 + \text{control premium})]$. Therefore, the minority interest discount is between 17% and 23%.

Valuation summary for the Buy-Back Shares on the CME basis

8.45. Our assessed value of the Buy-Back Shares on a minority basis, as calculated using the CME valuation methodology noted above, is between AU\$4,467,658 and AU\$5,632,768.

Secondary valuation methodology: QMP

8.46. In order to provide a cross check and comparison to our valuation of a Top Education share using the CME methodology, we have also assessed the value of a Top Education share using the QMP valuation methodology prior to the announcement of the Proposed Transaction. The QMP of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Traded Volumes of Top Education Shares up to 7 April 2025

8.47. We have considered the last traded price of a Top Education share over a range of periods to 7 April 2025 (being the day of the announcement). An analysis of the trading volume and VWAP of Top Education's shares for 1, 5, 10, 30, 60 and 90 trading day periods is set out in the table below:

	VWAP Summary to 7 April 2025					
	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day
VWAP HK\$	0.061	0.059	0.059	0.059	0.061	0.062
VWAP AU\$*	0.0122	0.0118	0.0118	0.0119	0.0122	0.0123
Total Volume (m)	0.41	0.71	0.71	1.56	2.37	3.19
Total Outstanding Shares (m)	2,436	2,436	2,436	2,436	2,436	2,436
% of Total Shares	0.02	0.03	0.03	0.06	0.10	0.13
Low Price HK\$	0.061	0.057	0.057	0.057	0.057	0.057
High Price HK\$	0.061	0.061	0.061	0.061	0.074	0.074

* Using HK\$1:AU\$0.19931 per OandA as at 7 May 2025
Source: Cap IQ

8.48. The table above shows that 0.06% of Top Education's shares were traded in the 30 trading days prior to the announcement of the Proposed Transaction. This is indicative of an illiquid stock.

8.49. We note that to rely on the QMP valuation methodology there is a requirement for the security to trade in a 'deep' market. RG111.69 indicates that a 'deep' market should reflect a liquid and active market. Characteristics of a deep market are:

Deep Market – Characteristics

Regular trading in a company's securities	Not met
An average of 1% of a company's securities traded on a weekly basis	Not met
Non-significant spread of the stock	Met
A significant spread of ownership of the securities	Not Met – top 10 shareholders own approx. 78% of total capital
There are not regular unexplained movements in the share price	Met

Source: MACF Analysis

8.50. For a security to be considered 'deep' it should fit with all the above characteristics. Although if it does fail to meet all the above characteristics it does not automatically characterise the share price trading as irrelevant for valuation purposes, rather it means that it should not purely be relied upon and should be considered within this context.

8.51. We note that the analysis represents the potential range of values of a Top Education share if the Company were to buy back shares on market, subject to liquidity. Using the data above, a VWAP range of AU\$0.0118 to AU\$0.0123 on a minority basis. This analysis is secondary to our primary assessment of the value of a Top Education share using the NAV methodology.

- 8.52. Using the above value range for a Top Education share, we have assessed the value of the Buy-Back Shares as follows:

	<i>Ref</i>	Low AU\$	High AU\$
Assessed fair value of a Top Education share on a minority basis using the QMP methodology	8.51	0.0118	0.0123
Number of Buy-Back Shares	3.4	<u>264,708,000</u>	<u>264,708,000</u>
Assessed fair value of the Buy-Back Shares using the QMP methodology on a minority basis		<u>3,123,554</u>	<u>3,255,908</u>

- 8.53. Due to the illiquid nature of the Top Education stock, this methodology is secondary to our CME methodology and used as a cross check.

Secondary valuation methodology: NTA

- 8.54. In order to provide an alternative cross check and comparison to our valuation of a Top Education share using the CME methodology, we have also assessed the value of a Top Education share using the Net Tangible Asset (“NTA”) methodology. The NTA method (assuming an orderly realisation of tangible assets) estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs that arise, assuming assets are realised in an orderly manner.
- 8.55. As a trading company, the NTA of Top Education should represent the minimum value of the Company.
- 8.56. The consolidated Statement of Financial Position below has been extracted from the unaudited financial statements of Top Education for the half year ended 31 December 2024.

Statement of Financial Position	<i>Ref</i>	31 Dec 2024 AU\$'000	Low AU\$'000	High AU\$'000
Assets				
Current Assets				
Cash		46,588	46,588	46,588
Term deposits		2,089	2,089	2,089
Other assets and prepayments		116	116	116
Other receivables		1,411	1,411	1,411
Trade receivables		<u>291</u>	<u>291</u>	<u>291</u>
Total Current Assets		<u>50,495</u>	<u>50,495</u>	<u>50,495</u>

Statement of Financial Position	Ref	31 Dec 2024 AU\$'000	Low AU\$'000	High AU\$'000
Non-Current Assets				
Property, plant & equipment		7,946	7,946	7,946
Intangible assets	8.57	7,107	–	–
Goodwill	8.57	1,533	–	–
Right of use assets	8.57	9,957	–	–
Prepayments		1,188	1,188	1,188
Deferred tax asset		470	470	470
Total Non-Current Assets		28,201	9,604	9,604
Total Assets		78,696	60,099	60,099
Current Liabilities				
Trade payables		2,997	2,997	2,997
Other payables and accruals		2,573	2,573	2,573
Unpaid leave obligations		2,016	2,016	2,016
Lease liabilities		2,434	2,434	2,434
Contract liabilities		5,691	5,691	5,691
Tax payables		596	596	596
Total Current Liabilities		16,307	16,307	16,307
Non-Current Liabilities				
Lease liabilities		11,339	11,339	11,339
Unpaid leave obligations		199	199	199
Accrual for reinstatement cost		147	147	147
Total Non-Current Liabilities		11,685	11,685	11,685
Total Liabilities		27,992	27,992	27,992
Net Assets		50,704	32,107	32,107

- 8.57. We have excluded the value of intangible assets, goodwill and right of use assets in our assessment above, to arrive at the NTA value.
- 8.58. Other than as noted above, we have determined that the fair value of the assets and liabilities as at 31 December 2024 are equivalents to the carrying values noted in the interim financial statements of the Company.
- 8.59. Based on our assessment above the NTA value of Top Education is AU\$32,107,000. Any value associated with intangible assets would only serve to increase the NAV of Top Education and would therefore not change our opinion on fairness.

8.60. The assessed value of the Buy-Back Shares using the NTA value above is as follows:

	<i>Ref</i>	Low <i>AU\$'000</i>	High <i>AU\$'000</i>
NTA Value of Top Education on a controlling basis	8.56	32,107	32,107
Minority Interest Discount	8.44	<u>23%</u>	<u>17%</u>
NTA Value of Top Education on a minority interest basis		<u>24,722</u>	<u>26,649</u>
Number of shares on issue in Top Education	3.4	<u>2,436,394,000</u>	<u>2,436,394,000</u>
Value per Top Education Share		<u>AU\$0.0101</u>	<u>AU\$0.0109</u>
Number of Buy-Back Shares	3.4	<u>264,708,000</u>	<u>264,708,000</u>
Total Value of Buy-Back Shares on a minority basis		<u>AU\$2,686,025</u>	<u>AU\$2,895,325</u>

Source: MACF analysis

8.61. As noted above, the NTA value represents the minimum value for the Buy-Back Shares.

Valuation conclusion for the Buy-Back Shares

8.62. Our assessed values for the Buy-Back Shares on a minority basis are summarised below:

	<i>Ref</i>	Low <i>AU\$</i>	High <i>AU\$</i>
Assessed fair value of the Buy-Back Shares on a minority basis using the CME methodology	8.45	4,466,395	5,632,768
Assessed fair value of the Buy-Back Shares on a minority basis using the QM P methodology	8.52	3,123,554	3,255,908
Assessed fair value of the Buy-Back Shares on a minority basis using the NTA methodology	8.60	2,686,025	2,895,325

8.63. Our assessed value of the Buy-Back Shares on a minority basis, is based on the CME methodology. Whilst we have used the QMP and NTA methodologies as a cross check, these methodologies have not been relied upon. This is because the QMP methodology is limited by the liquidity in Top Education's shares and the NTA methodology represents the minimum value of the Company. The CME methodology is preferred as it captures the value of the intangible assets and enterprise value of Top Education.

8.64. We have valued the Buy-Back Shares on a minority basis as the shareholding represents a minority shareholding of approximately 10.9%. We note that the holding is still substantial and as such may attract a premium on sale. If we were to include a premium for the holding this would increase the values of the Buy-Back Shares in each of the methodologies above. Any premium recognised would therefore not change our opinion on the Proposed Transaction.

9. Valuation of the Consideration Payable

9.1. The Consideration payable for the Buy-Back Shares under the Proposed Transaction is HK\$11,243,168.30, payable on completion in cash.

9.2. We have assessed the fair value of the consideration as follows:

	<i>Ref</i>	
Total value of Consideration per Buy-Back Agreement	3.1	<u>HK\$11,243,168</u>
Exchange Rate HK\$1:AU\$0.19931 as at 7 May 2025		
Total value of Consideration in AU\$		<u><u>AU\$2,240,876</u></u>

Source: MACF analysis

9.3. Due to the short term nature of the consideration payable, the total amount has not been discounted.

10. Is the Proposed Transaction fair to Top Education Shareholders?

10.1. When assessing fairness, we have compared the estimated value of the Buy-Back Shares to the value of the Consideration payable by Top Education.

10.2. Our assessed values are as follows:

	<i>Section</i>	Low <i>AU\$</i>	High <i>AU\$</i>
Assessed fair value of the Buy-Back Shares on a minority basis	8	4,466,395	5,632,768
Assessed fair value of the Consideration payable	9	2,240,876	2,240,876

Source: MACF analysis

10.3. Based on the range of values above, in the absence of any other relevant information, in our opinion, this indicates that the Proposed Transaction is fair to the Non-Associated Shareholders of Top Education because the low and high values of the Buy-Back Shares are higher than the Consideration payable.

11. Is the Proposed Transaction Reasonable?

11.1. RG111 establishes that a transaction is reasonable if it is fair. If a transaction is not fair, it may still be reasonable after considering the specific circumstances applicable to it. In our assessment of the reasonableness of the Proposed Transaction we have considered:

- The prospects of Top Education if the Proposed Transaction does not proceed; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders because of the Proposed Transaction proceeding.

Advantages and Disadvantages

11.2. In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction proceeds than if it does not, we have considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

Advantages of approving the Proposed Transaction

Advantage 1 – The Proposed Transaction is fair

The Proposed Transaction is fair to the Non-Associated Shareholders.

Advantage 2 – Increased Interest of Non-Associated Shareholders

Non-Associated Shareholders' interest in Top Education will increase from approximately 89.1% prior to the Proposed Transaction to 100% following the Proposed Transaction and is expected to increase Non-Associated Shareholders earnings and net assets per share. The Proposed Transaction is not expected to have an effect on the control of Top Education.

Advantage 3 – Cash Reserves

The Proposed Transaction can be funded from existing cash reserves of Top Education without having a negative impact on the liquidity of the Company, or a threat to the Company's capacity to meet its obligations. These cash reserves are considered surplus to the requirements of the Company based on current and expected earnings.

Advantage 4 – Exit Facilitation

PWC Nominees has notified the Company of its desire to sell its holdings in Top Education. The Proposed Transaction will facilitate this exit without the need for the shares to be sold on market which may create downward pressure on the share price.

Disadvantages of approving the Proposed Transaction***Disadvantage 1 – Selective***

Non-Associated Shareholders do not have an opportunity to participate in the Proposed Transaction.

Disadvantage 2 – Cash Reserves

The Proposed Transaction will reduce the cash reserves of the Company by the amount of the Consideration Payable, being less than 5% of the cash and cash equivalents balance as at 31 December 2024.

Future Prospects if the Proposed Transaction does not Proceed

11.3. If the Proposed Transaction is not approved, then PWC Nominees may look to sell its shares on market which could have a detrimental effect on the Top Education share price.

Other Considerations

11.4. The industry in which Top Education operates is subject to immigration policy changes by the Federal Government. Whilst not yet fully enacted, the policies have broadly received bipartisan support and are widely documented. The expected changes have created uncertainty in the sector, with industry revenue expected to be negatively impacted.

11.5. At this stage it is not possible to quantify the potential impact of the regulatory changes on the business of Top Education and therefore we have not adjusted for this uncertainty in our valuation of the Buy-Back Shares. We understand that the market is fully informed on the matter and as such the uncertainty is implied in the EBITDA multiple.

11.6. We note that currently nearly 100% of Top Education's students are international, compared to its comparable companies that have a more diversified student base with 30% of NXDs FY24 revenue being derived from international students and 84% of EDU's CY24 revenue being derived from international students. As such, Top Education may be more exposed to the impact of the proposed regulatory changes.

11.7. The timing of the Proposed Transaction means that the impact of the regulatory changes on Top Education will still be uncertain, and the value of the Buy-Back Shares may change materially once the Australian Federal Government bill has passed parliament.

Share Price Performance Post Announcement of the Proposed Transaction

11.8. Following the announcement of the Proposed Transaction on 7 April 2025, there has been very little trading in the Company's shares, with just 260,000 shares trading during the 30 trading days to 26 May 2025. These shares traded at between HK\$0.051 and HK\$0.057, which is lower than the share price on the date of the announcement, being HK\$0.061.

Conclusion on Reasonableness

11.9. In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than the position if it is not approved. Therefore, we consider it reasonable to approve the Proposed Transaction.

12. Independence

12.1. Moore Australia Corporate Finance (WA) Pty Ltd (“MACF”) is entitled to receive a fee of approximately AU\$30,000, excluding GST and reimbursement of out-of-pocket expenses. Except for this fee, MACF has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

12.2. Prior to accepting this engagement MACF has considered its independence with respect to Top Education and the associated shareholders of Top Education, and their respective associates with reference to RG 112, Independence of Expert’s Reports. It is the opinion of MACF that it is independent of Top Education and the associated shareholders of Top Education, and their respective associates.

12.3. MACF and Moore Australia (WA) have not had at the date of this report any relationship which may impair their independence.

12.4. We have held discussions with management of Top Education regarding the information contained in this report. We did not change the methodology used in our assessment because of discussions and our independence has not been impaired in any way.

13. Qualifications

13.1. MACF is a professional practice company, wholly owned by the Perth practice of Moore Australia, Chartered Accountants. The firm is part of the National and International network of Moore Australia independent firms and provides a wide range of professional accounting and business advisory services.

13.2. MACF holds an Australian Financial Services License to provide financial product advice on securities to retail clients (by way of experts reports pursuant to the Corporations Act) and its principals and owners are suitably professionally qualified, with substantial experience in professional practice.

13.3. The director responsible for the preparation and signing of this report is Mr Neil Pace who is a director of MACF. Mr Pace has over 35 years’ experience as a Chartered Accountant and has significant experience in the preparation of independent expert’s reports, valuations and related advice.

13.4. At the date of this report neither Mr Pace nor any member or Director of MACF has any interest in the outcome of the Proposed Transaction.

14. Disclaimers and consents

14.1. MACF has been requested to prepare this report, to be included in the Circular for the Extraordinary General Meeting (“EGM”) which will be sent to Top Education shareholders.

- 14.2. MACF consents to this report being included in the Circular to be sent to shareholders of Top Education. This report or any reference thereto is not to be included in or attached to any other document, statement or letter without prior consent from MACF.
- 14.3. MACF has not conducted any form of audit, or any verification of information provided to us and which we have relied upon in regard to Top Education, however we have no reason to believe that any of the information provided, is false or materially incorrect. The statements and opinions provided in this report are given in good faith and in the belief that they are not false, misleading, or incomplete.
- 14.4. Neither MACF nor Mr Pace take any responsibility for, nor have they authorised or caused the issue of any part of this report for any third party other than the shareholders of Top Education in the context of the scope and purpose defined in this report.
- 14.5. With respect to taxation implications, it is recommended that individual shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own specific circumstances. The advice provided in this report does not constitute legal or taxation advice to shareholders of Top Education or any other party.
- 14.6. The statements and opinions expressed in this report are given in good faith and with reliance upon information generated both independently and internally and regarding all of the circumstances pertaining to the Proposed Transaction.
- 14.7. Regarding any projected financial information noted in this report, no member or director of MACF has had any involvement in the preparation of the projected financial information.
- 14.8. Furthermore, we do not provide any opinion whatsoever as to any projected financial or other results prepared for Top Education and do not provide any opinion as to whether or not any projected financial results referred to in the report will or will not be achieved.

Yours faithfully

Neil Pace
Director
Moore Australia Corporate Finance (WA) Pty Ltd

APPENDIX A – SOURCES OF INFORMATION

In preparing this report we have had access to the following principal sources of information:

- Audited financial statements of Top Education for the years ended 30 June 2023 and 2024;
- Unaudited interim financial statements of Top Education for the six months ended 31 December 2024;
- Unaudited management accounts of Top Education for the three months ended 31 March 2025;
- Unaudited forecast financial information for the year ended 30 June 2025;
- Publicly available information in relation to Top Education;
- Information in the public domain;
- Share registry information for Top Education;
- IBISWorld;
- S&P Capital IQ database;
- MergerMarket; and
- Discussions with directors and management of Top Education.

APPENDIX B – VALUATION METHODOLOGIES

We have considered which valuation methodology is the most appropriate in light of all the circumstances and information available. We have considered the following valuation methodologies and approaches:

- Discounted cash flow methodology ('DCF');
- Capitalisation of current maintainable earnings methodology ('CME');
- Net assets value method ('NAV');
- Quoted market price methodology ('QMP'); and
- Market approach method (Comparable market transactions)

Valuation Methodologies and Approaches***Discounted Cash Flow Method***

Discounted cash flow methods estimate fair market value by discounting a company's future cash flows to their net present value. These methods are appropriate where a forecast of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

Capitalisation of Maintainable Earnings Method

The capitalisation of maintainable earnings method estimates “fair market value” or “enterprise value”, by estimating a company’s maintainable earnings and dividing this by a market capitalisation rate. The capitalisation rate represents the return an investor would expect to earn from investing in the company which is commensurate with the individual risks associated with the business.

It is appropriate to apply the capitalisation of maintainable earnings method where there is an established and relatively stable level of earnings which is likely to be sustained into the foreseeable future.

The measure of earnings will need to be assessed and can include, net profit after taxes (NPAT), earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation and amortisation (EBITDA).

The capitalisation of maintainable earnings method can also be considered a market based methodology as the appropriate capitalisation rate or ‘earnings multiple’ is based on evidence of market transactions involving comparable companies.

An extension of the capitalisation of maintainable earnings method involves the calculation of share value of an entity. This process involves the calculation of the enterprise value, which is then adjusted for the net tangible assets of the entity.

Net Assets Value Method (Orderly Realisation of Assets)

The net assets value method (assuming an orderly realisation of assets) estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

Liquidation of assets – The Liquidation method is similar to the orderly realisation of asset method except the liquidation method assumes the assets are sold in a shorter time frame.

Net assets – The net assets method is based on the value of the assets of a business less certain liabilities at book values, adjusted to a market value.

The asset based approach, as a general rule, ignores the possibility that a company’s value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements, and goodwill.

The asset based approach is most appropriate when companies are not profitable, a significant proportion of assets are liquid, or for asset holding companies.

Cost Based Approach – The cost based approach involves determining the fair market value of an asset by deducting the accumulated depreciation from the asset’s replacement cost at current prices.

Valuation Methodologies and Approaches

Like the asset based approach, the cost based approach has a number of disadvantages, primarily that the cost of an asset does not necessarily reflect the assets ability to generate income. Accordingly, this approach is only useful in limited circumstances, usually associated with intangible asset valuation.

Quoted Market Price Methodology

The method relies on the pricing benchmarks set by sale and purchase transactions in a fully informed market the ASX which is subject to continuous disclosure rules aimed at providing that market with the necessary information to make informed decisions to buy or to sell.

Consequently, this approach provides a “fair price”, independently determined by a real market. However, the question of a fair price for a particular transaction requires an assessment in the context of that transaction taken as a whole.

In taking a quoted market price based assessment of the consideration to both parties to the Proposed Transaction, the overall reasonableness and benefits to the non-participating shareholders must be carefully evaluated.

Market Approach Method

The market based approach estimates a company’s fair market value by considering the market prices of transactions in its shares or the market value of comparable assets.

This includes, consideration of any recent genuine offers received by the target for an entire entity’s business, or any business units or asset as a basis for the valuation of those business units or assets, or prices for recent sales of similar assets.

APPENDIX C – GLOSSARY

In this report, unless the context requires otherwise:

Term	Meaning
Act	Corporations Act 2001
Agreement	Share Buy Back Agreement between Top Education and PWC Nominees dated 7 April 2025
APES 225	APES 225 Valuation Services sets out mandatory requirements and guidance for members who provide valuation services
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange or ASX Limited ACN 008 624 691
AU\$	Australian Dollar
Board	The Board of Directors of Top Education
Business	The business of Top Education
Buy-Back Shares	264,708,000 Top Education shares held by PWC Nominees
Circular	Circular for the Extraordinary General Meeting
CME	Current Maintainable Earnings
Company	Top Education Group Ltd
Consideration	HK\$11,243,168.30 cash payable on completion
CY	Calendar Year
Directors	The Directors of Top Education
EGM	Extraordinary General Meeting
FY	Financial Year
HK\$	Hong Kong Dollar
HY	Half Year
IER	This Independent Experts Report
Income Tax Assessment Act	the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997

Term	Meaning
Act	Corporations Act 2001
LTM	Last Twelve Months
Moore Australia or MACF	Moore Australia Corporate Finance (WA) Pty Ltd
Non-Associated Shareholders	Shareholders who are not a party to, or associated with a party to, the Proposed Transaction
Proposed Transaction	The acquisition of the Buy Back Shares
PWC Nominees	PricewaterhouseCoopers Nominees (A.C.T.) Pty Ltd as bare trustee for the Australian partnership of PricewaterhouseCoopers
RedHill	RedHill education Limited
Register	The register of members of Top Education Group Ltd shareholders or option holders, as the case requires
RG110	ASIC Regulatory Guide 110 <i>Share Buy-Backs</i>
RG111	ASIC Regulatory Guide 111 <i>Content of Experts Reports</i>
S&P Capital IQ	Third party provider of company and other financial information
Shareholders	Top Education Shareholders
Top Education	Top Education Group Ltd
VWAP	Volume weighted average price

APPENDIX D – COMPARABLE TRADING COMPANIES

Company Name	Market Cap AU\$m	Cash AU\$m	Debt AU\$m	Enterprise Value* AU\$m	FY23 Revenue AU\$m	FY24 Revenue AU\$m	LTM Revenue AU\$m	FY23 EBITDA AU\$m	FY24 EBITDA AU\$m	LTM EBITDA AU\$m	FY24 EBITDA Multiple (x)	LTM EBITDA Multiple (x)	Business Description
EDU Holdings Limited (ASX:EDU)	21.1	6.5	10.5	30.4	21.2	42.2	42.2	0.1	4.4	4.4	6.9	6.9	EDU provides tertiary education services in Australia. The company offers vocational education and training services, including accredited certificate and diploma level courses in health and community services to international students. It also provides higher education services in the areas of creative therapies, counselling and psychotherapy, and early childhood education for domestic and international students. The company was formerly known as UCW Limited and changed its name to EDU Holdings Limited in December 2021. EDU was incorporated in 2004 and is based in Sydney, Australia.
NextEd Group Limited (ASX:NXD)	29.9	13.7	44.2	67.9	102.2	111.4	99.1	10.8	7.2	4.7	9.4	14.4	NXD provides educational services in Australia, Europe, and South America. It operates through four segments: Technology & Design, International Vocational, Go Study, and Domestic Vocational. The International Vocational segment provides English language intensive courses, and vocational education and training courses in business, leadership and management, project management, marketing and communication, commercial cookery, hospitality, healthcare and community Services for international students. The Technology & Design segment offers face-to-face and online courses in information technology, digital design, interactive multimedia, computer coding, digital marketing, games and apps programming, digital filmmaking, and interior design. The Domestic Vocational segment provides vocational courses that covers commercial cookery, hospitality, business, community services, healthcare, construction, and information technology for domestic students. The Go Study segment operates an international student advisory recruitment agency. The company was formerly known as iCollege Limited and changed its name to NextEd Group Limited in December 2022. NXD was incorporated in 2003 and is based in Ultimo, Australia.

APPENDIX E – COMPARABLE TRANSACTIONS

Target Company	Announced Date	Completion Date	Acquirer	Deal value AU\$m	Equity acquired	Consideration	Revenue AU\$m	FY21 EBITDA AU\$m	Implied EBITDA Multiple (x)	Deal description
Redhill Education Limited (ASX:RDH)	22 February 2021	11 October 2021	iCollege Ltd (ASX:NXD)	74.4	100%	100% scrip in NXD	64.6	9.5	7.8	iCollege Ltd, the Australia based provider of vocational education and training services, announced an unsolicited off-market takeover offer RedHill Education Ltd, the listed local provider of education agency services, English language courses and a diverse range of course options. Shareholders of Redhill will receive 9.5 iCollege shares for each Redhill share. Based on iCollege's closing share price of AU\$0.14 on the day of completion, the consideration shares have a market value of A\$72.5m, while total deal value including net debt is AU\$74.4m.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

30 May 2025

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

Dear Sirs,

We refer to the report (the “**Independent Expert Report**”) prepared by Moore Australia Corporate Finance (WA) Pty Ltd (the “**Independent Expert**”) containing a valuation of the Buy-Back Shares (the “**Valuation**”) as set out in Appendix III of this circular (the “**Circular**”), of which this letter forms part. We are required to report on the qualifications of the Independent Expert and the Valuation under Rule 11.1(b) of the Takeovers Code. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

We have relied on the information and facts supplied, and the opinion expressed by Top Education Group Ltd and the Independent Expert, and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects as at the Latest Practicable Date. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not carried out any independent verification of the information supplied to us.

Pursuant to the Corporate Finance Adviser Code of Conduct, we have reviewed the Independent Expert Report and the supporting documents relating to the Valuation, and discussed with the Independent Expert regarding the Valuation, including, in particular, the valuation approach, as well as key bases and assumptions adopted in the Valuation. With regard to the qualifications and experience of the Independent Expert, based on the review work conducted by us, which includes reviewing the supporting documents on the qualifications, experience and expertise of the Independent Expert and discussing the same with the Independent Expert, we are satisfied that the Independent Expert is suitably qualified and experienced with sufficient knowledge, skills and understanding necessary to prepare the Independent Expert Report competently.

On the basis of the foregoing, we concur that the valuation approach, as well as the bases and assumptions adopted in the Valuation have been made by the Independent Expert with due care and objectivity, and on a reasonable basis. We are also satisfied that the Independent Expert possesses the qualifications and experience to compile the Independent Expert Report.

Yours faithfully,
For and on behalf of
SOMERLEY CAPITAL LIMITED
John Wong
Director

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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)

NOTICE OF EGM

Notice is hereby given that the extraordinary general meeting (the “**EGM**”) of Top Education Group Ltd (the “**Company**”) will be held at Level 3, Yerrabingin House, 3 Central Avenue, Eveleigh, New South Wales 2015, Sydney, Australia and through online access by visiting the website at <https://meetings.computershare.com/MD6LVAC>, on Wednesday, 2 July 2025 at 12:00 p.m. (Hong Kong time) / 2:00 p.m. (Sydney time). The purpose of the meeting is to consider and, if thought fit, to approve the below resolution of the Company as a special resolution.

Further information in relation to the special resolution and the transaction contemplated thereunder is set out in this document, of which this notice forms part.

1. SPECIAL RESOLUTION

To consider and, if thought fit, to pass the following as a **special** resolution:

“**THAT:**

- (a) for the purposes of section 257D(1) of the *Corporations Act 2001* (Cth) and for all other purposes, the share buy-back agreement dated 7 April 2025 (the “**Share Buy-Back Agreement**”) entered into between the Company and PricewaterhouseCoopers Nominees (A.C.T.) Pty Ltd (“**PwC Nominees**”) (as bare trustee for the Australian partnership of PricewaterhouseCoopers (ABN 52 780 433 757), or each partner (as the context requires) (“**PwC Australia**”) in relation to the sale and purchase of all the 264,708,000 shares of the Company (the “**Buy-Back Shares**”) held by PwC Nominees (as the legal owner) on bare trust for PwC Australia (as the beneficial owner) by the Company from PwC Nominees (a copy of which is marked “A” and produced to the EGM and signed by the chairman of the EGM for identification purpose), and all the transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and

- (b) the directors of the Company be and are hereby authorised to execute all such documents and do all such acts and things for and on behalf of the Company as he/she may consider necessary, appropriate, desirable or expedient for the implementation of, to give effect to or in connection with the Share Buy-Back Agreement and the transactions contemplated thereunder (including but not limited to the Share Buy-Back and the cancellation of the Buy-Back Shares).”

2. VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on the special resolution by:

- (a) an Interested Shareholder; or
- (b) an Associate of an Interested Shareholder.

However, the Company needs not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote and is cast in accordance with the directions on the form of proxy; and
- (d) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote and is cast in accordance with the directions on the form of proxy, or without such directions, to vote as a proxy decides.

Yours faithfully,
For and on behalf of the Board
Top Education Group Ltd
Dr. Amen Kwai Ping Lee
Chairperson

Australia, 30 May 2025

Explanatory Notes:

These notes should be read in conjunction with the Notice of EGM.

1. As set out in the section headed “Guidance for the EGM” of the circular, the EGM will be in the form of a hybrid meeting. In addition to the traditional physical attendance at the EGM at Level 3, Yerrabingin House, 3 Central Avenue, Eveleigh, New South Wales 2015, Sydney, Australia, Shareholders have the option of attending, participating and voting in the EGM through online access by visiting the website at <https://meetings.computershare.com/MD6LVAC> (the “**Online Platform**”). Shareholders participating in the EGM using the Online Platform will also be counted towards the quorum and he/she will be able to cast votes and ask questions (both online and verbally in real time) relevant to the proposed resolutions through the Online Platform.
2. Shareholders attending the EGM using the Online Platform are expected to have a reliable and stable internet connection that can support live streaming and be able to follow the EGM proceedings in order to cast the votes and submit questions online. If for any reasons the internet connection is lost or interrupted, it may affect the ability of the Shareholders to follow the EGM proceedings. Any missed contents as a result of connection issues arise from the Shareholders will not be repeated.
3. Each set of Shareholder login details can be used on one electronic device (either smartphone, tablet device or computer) at a time only. If Shareholders experience any technical difficulties or require assistance while using the Online Platform, please contact the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited (“**Computershare**”) at (852) 2862 8555 from 9:00 a.m. (Hong Kong time) until the end of the EGM (Hong Kong time) on the date of the EGM. Please note that Shareholders’ votes on the proposed resolutions cannot be recorded at, or taken by, Computershare’s service hotline. In the event that Shareholders have any concerns or issues attending the physical EGM or using the Online Platform, Shareholders are encouraged to appoint the Chairperson of the EGM as his/her proxy to exercise his/her voting rights.

4. The Online Platform will be open to registered Shareholders (the “**Registered Shareholders**”) and nonregistered Shareholders (the “**Non-Registered Shareholders**”) (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the EGM and can be accessed from any location with connection to the internet with a smartphone, tablet device or computer.

Login details for Registered Shareholders: Details regarding the arrangements of the EGM, including login details to access the Online Platform and online voting, are included in the Company’s notification letter to Registered Shareholders to be dispatched on Friday, 30 May 2025.

Login details for Non-Registered Shareholders: Non-Registered Shareholders who wish to attend and participate in the EGM using the Online Platform should liaise with his/her bank(s), broker(s), custodian(s), nominee(s) or HKSCC Nominees Limited through which his/her Shares are held (collectively, the “**Intermediaries**”) and provide his/her email addresses to the Intermediaries. Details regarding the arrangements of the EGM, including login details to access the Online Platform and online voting, will be sent by Computershare to the email addresses provided by the Non-Registered Shareholders.

The step-by-step “**Online Meeting User Guide**” can be found on the Company’s website (<https://www.top.edu.au/investor-relations>) under “Investor Relations” section.

5. For enquiries, please contact Computershare in person, by phone or online form:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre 183 Queen’s Road East Wanchai, Hong Kong
Telephone: (852) 2862 8555
Office hours: 9:00 a.m. – 4:30 p.m. (Hong Kong time), Mondays to Fridays, excluding Hong Kong public holidays
Website: www.computershare.com/hk/contact

6. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), any vote of Shareholders at a general meeting must be taken by poll (except where the chairperson of the general meeting, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands). An announcement of the poll results will be published by the Company after the conclusion of the EGM in the manner prescribed under the Listing Rules on the websites of Hong Kong Exchanges and Clearing Limited and the Company.
7. Any Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy/more than one proxy (where the Shareholder holds two or more Shares) to attend and vote instead of him. A proxy does not need to be a Shareholder. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every Shareholder present in person or by proxy shall be entitled to one vote for each Share held by him.
8. If a Shareholder is a body corporate, or appoints a body corporate as a proxy, that body corporate will need to ensure that it (a) appoints an individual as its corporate representative to exercise its powers at the EGM, in accordance with section 250D of the Australian Corporations Act or as its attorney to exercise its powers at the EGM by a duly executed power of attorney; and (b) provides satisfactory evidence of the appointment of its corporate representative or due execution of a power of attorney prior to the EGM. If such evidence is not received prior to the EGM, the representative or attorney (as applicable) will not be permitted to act on the Shareholder’s behalf. Evidence of the appointment or power of attorney can be sent to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 12:00 p.m. (Hong Kong time) on Monday, 30 June 2025) or the adjourned meeting (as the case may be).
9. Under the Corporations Act, if the appointment of a proxy specifies the way the proxy is to vote on a particular resolution (a) if the proxy is not the Chairperson of the EGM, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and (b) if the proxy is the Chairperson of the EGM, the proxy must vote on a poll and must vote as directed.
10. In addition, there are some circumstances where the Chairperson of the EGM will be taken to have been appointed as a Shareholder’s proxy for the purposes of voting on a particular resolution even if the Shareholder has not expressly appointed the Chairperson of the EGM as their proxy. This will be the case where you appoint a proxy who is not the Chairperson of the EGM and you direct your proxy to vote in a particular way, but your proxy does not attend the EGM or does not vote. In this case, the Chairperson of the EGM will act in place of your nominated proxy and will vote in accordance with your direction.
11. If you appoint a proxy, you are encouraged to direct your proxy how to vote. The Chairperson of the EGM intends to vote all undirected proxies in favour of the special resolution.

12. Where there are joint holders of any Share, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present (whether in person or by proxy) at the EGM, that one of the joint holders so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any Share stands shall be deemed joint holders thereof.
13. Whether or not you intend to attend the EGM, you are requested to submit your proxy appointment by completing and signing the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 12:00 p.m. (Hong Kong time) on Monday, 30 June 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting (whether physically or by means of electronic facilities) at the EGM (or any adjournment thereof) if you so wish.
14. The EGM will be held on Wednesday, 2 July 2025. For determining the entitlement of the Shareholders to attend and vote at the meeting, the register of members of the Company will be closed from Thursday 26 June 2025 to Wednesday, 2 July 2025, both dates inclusive, during which period no transfer of Shares will be registered, and the record date for the EGM will be Wednesday, 2 July 2025. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Wednesday, 25 June 2025.
15. If a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at or after 7:00 a.m. (Hong Kong time) on Wednesday, 2 July 2025, the EGM will not be held on Wednesday, 2 July 2025 but will be postponed to a later date and if postponed, the Company will as soon as practicable post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company.
16. The EGM will be held as scheduled when an amber or a red rainstorm warning signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather conditions bearing in mind their own situations.
17. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the executive Directors are Dr. Rongning Xu, Ms. Xing Shi Huang and Mr. Qingquan Yang, the non-executive Directors are Dr. Amen Kwai Ping Lee, Mr. Yi Dai and Mr. Edward Chiang, and the independent non-executive Directors are Professor Steven Schwartz, Mr. Tianye Wang, Mr. Jonathan Richard O'Dea and Professor Dominic Robert Beresford Verity.