

Top Education Group Ltd

澳洲成峰高教集團有限公司

(Registered in New South Wales, Australia with limited liability)
(Stock Code: 1752)

GLOBAL OFFERING

SOLE SPONSOR, JOINT GLOBAL COORDINATOR, JOINT BOOKRUNNER AND JOINT LEAD MANAGER



JOINT GLOBAL COORDINATORS, JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS



IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should seek independent professional advice.

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)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	628,400,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	:	62,840,000 Shares (subject to adjustment)
Number of International Offer Shares	:	565,560,000 Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price	:	HK\$0.37 per Offer Share, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	:	Not applicable
Stock code	:	1752

Sole Sponsor, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager



Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Bookrunners and Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and Available for Public Inspection in Hong Kong" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date. The Price Determination Date is expected to be on or about Thursday, 3 May 2018 and, in any event, unless otherwise announced, not later than Wednesday, 9 May 2018. The Offer Price will be no more than HK\$0.37 and is currently expected to be no less than HK\$0.27 unless otherwise announced. Investors applying for the Hong Kong Offer Shares must pay, on application, the maximum Offer Price of HK\$0.37 for each Offer Share together with a brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined is lower than HK\$0.37. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us on or before Wednesday, 9 May 2018, unless otherwise announced, the Global Offering will not proceed and will lapse.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, reduce the number of Offer Shares and/or the indicative Offer Price range below that which is stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and of our Company at www.top.edu.au not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. For further information, see the sections headed "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this prospectus.

This prospectus does not constitute a disclosure document under Chapter 6D.2 of the Australian Corporations Act, and it has not been, and will not be, lodged with the Australian Securities and Investments Commission, as a disclosure document for the purposes of the Australian Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Australian Corporations Act. Neither this prospectus nor any other document or material in connection with the offer of sale or invitation for subscription or purchase, of any securities offered under this prospectus or such material may be circulated or distributed, nor may any of those securities be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Australia other than pursuant to offers that do not need disclosure to investors under Sections 708 or 708A of the Australian Corporations Act. The securities offered by this prospectus may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the securities may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any securities may be distributed in Australia. We do not issue this prospectus or any of the securities offered by this prospectus with the purpose of the person to whom they are or may be issued, or any person acting on their behalf, selling or transferring the securities, or granting, issuing or transferring interests in, or options over, them.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus and the related Application Forms, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Offer Shares are subject to termination by the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the day that trading in the Shares commences on the Stock Exchange. Such grounds are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for termination" in this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Offer Shares will be offered and sold only outside the United States in reliance on Regulation S.

27 April 2018

EXPECTED TIMETABLE⁽¹⁾

Latest time to complete **electronic applications** under

White Form eIPO service through the designated website

at www.eipo.com.hk⁽²⁾ 11:30 a.m. on
Thursday, 3 May 2018

Application lists open⁽³⁾ 11:45 a.m. on
Thursday, 3 May 2018

Latest time to lodge **WHITE** and **YELLOW**

Application Forms and **electronic application**

instructions to HKSCC⁽⁴⁾ 12:00 noon on
Thursday, 3 May 2018

Latest time to complete payment of **White Form eIPO**

applications by effecting internet banking transfer(s) or

PPS payment transfer(s) 12:00 noon on
Thursday, 3 May 2018

Application lists close 12:00 noon on
Thursday, 3 May 2018

Expected Price Determination Date⁽⁵⁾ Thursday, 3 May 2018

Announcement of

- the Offer Price;
- the level of applications in the Hong Kong Public Offering;
- the level of indications of interest in the International Offering; and
- the basis of allotment of the Hong Kong Offer Shares,

to be published on the websites of the Stock Exchange

at www.hkexnews.hk and of our Company at www.top.edu.au on or before .. Thursday, 10 May 2018

Results of allocations of the Hong Kong Public Offering

(including successful applicants' identification document

numbers, where appropriate) to be available through

a variety of channels (see the section headed "How to

Apply for the Hong Kong Offer Shares — 11. Publication

of Results" in this prospectus). Thursday, 10 May 2018

Results of allocations in the Hong Kong Public Offering to be

available at www.iporesults.com.hk (alternatively:

English <https://www.eipo.com.hk/en/Allotment>;

Chinese <https://www.eipo.com.hk/zh-hk/Allotment>), with

a "search by ID" function Thursday, 10 May 2018

EXPECTED TIMETABLE⁽¹⁾

Despatch/collection of refund cheques or White Form e-Refund payment instructions in respect of wholly or partially unsuccessful applications and wholly or partially successful applications if the final Offer Price is less than the price payable on application (if applicable) on or before⁽⁶⁾ Thursday, 10 May 2018

Despatch/collection of Share certificates or deposit of Share certificates into CCASS in respect of wholly or partially successful applications on or before⁽⁶⁾ Thursday, 10 May 2018

Dealings in Shares on the Stock Exchange expected to commence at 9:00 a.m. on Friday, 11 May 2018

Notes:

- (1) All times refer to Hong Kong local time, except as otherwise stated. Details of the structure of the Global Offering, including its conditions, are set out in the section headed “Structure of the Global Offering” in this prospectus.
- (2) You will not be permitted to submit your application to the **White Form eIPO** Service Provider through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force at any time between 9:00 a.m. and 12:00 noon on Thursday, 3 May 2018, the application lists will not open on that day. Further information is set out in the section headed “How to Apply for Hong Kong Offer Shares — 10. Effect of Bad Weather on the Opening of the Application Lists” in this prospectus.
- (4) If you apply by giving **electronic application instructions** to HKSCC, you should refer to the section headed “How to Apply for the Hong Kong Offer Shares — 6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS” in this prospectus.
- (5) We expect to determine the Offer Price by agreement with the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date. The Price Determination Date is expected to be on or about Thursday, 3 May 2018 and, in any event, unless otherwise announced, not later than Wednesday, 9 May 2018. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us by Wednesday, 9 May 2018, unless otherwise announced, the Global Offering will not proceed and will lapse.
- (6) We will issue refund cheque or e-Refund payment instructions to you if your application is wholly or partially unsuccessful or if the final Offer Price is less than the price per Offer Share payable on application. We will despatch Share certificates and refund cheque(s) by ordinary post to you at your own risk to the address you specified in your Application Form. If you have applied for 1,000,000 Hong Kong Offer Shares or more and have provided all information required in your Application Form, you may collect refund cheque(s) and/or Share certificates from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 10 May 2018 or any other place and date we announce on the websites of the Stock Exchange and of the Company as the place and date of despatch of Share certificates/e-Refund payment instructions/refund cheque(s). If you are an individual applicant, you may not authorise any other person to collect on your behalf. If you are a corporate applicant, you must attend by your authorised representative with your letter of authorisation stamped with your corporate chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to Hong Kong Share Registrar. If you fail to collect within the time specified for collection, we will despatch uncollected Share certificates and refund cheque(s) by ordinary post at your own risk to the address specified in the relevant Application Forms. Further information is set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

EXPECTED TIMETABLE⁽¹⁾

Share certificates are expected to be issued on Thursday, 10 May 2018 but will only become valid certificates of title if the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements are terminated in accordance with their respective terms before 8:00 a.m. on the Listing Date, which is expected to be Friday, 11 May 2018.

For details of the structure of the Global Offering, including its conditions, you should refer to the section headed “Structure of the Global Offering” in this prospectus.

CONTENTS

This prospectus is issued by our Company solely for the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to buy in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction outside Hong Kong. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. We have not authorised anyone to provide you with information that is different from the information contained in this prospectus. Any information or representation not included in this prospectus must not be relied on by you as having been authorised by us, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters, any of our or their respective directors, officers, employees, agents, affiliates or advisors or any other party involved in the Global Offering.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this prospectus. You should read the whole prospectus including the appendices hereto, which constitute an integral part of this prospectus, before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a private higher education provider in Australia offering accredited undergraduate and postgraduate award courses in business and law. We entered the Australian international education industry in 2001, providing transitional, non-award classes for students under the name UNE International Academy. In 2009, we became accredited as a higher education institute under the name Top Education Institute to provide our first undergraduate award in business. Since then, our Institute has expanded to encompass two academic divisions, TOP Business and TOP Law, with a total of 23 accredited undergraduate and postgraduate award courses, and 939 students enrolled at our Institute with an equivalent full-time student load ("EFTSL") of 836 for the second term of the academic year of 2017. According to Ipsos, in 2015, we ranked 14th in terms of student enrolment by EFTSL among private non-university higher education providers ("NUHEPs") in Australia and ranked third with a market share of 7.8% in terms of EFTSL of international students studying in Australia among business-focused private NUHEPs which were operational and accredited as at the Latest Practicable Date. For more information on our market position, see the section headed "Industry Overview" in this prospectus.

Our student population comprises mostly international students from China; during the Track Record Period, students from China constituted more than 86% of our student headcount. We are the first and only for-profit non-university higher education provider listed on the JSJ List of 42 recognised Australian universities and higher education providers, which allows our awards to be recognised by the Ministry of Education of China and increases awareness and interest in our Institute in China. We anticipate that as disposable income increases among Chinese families, the number of Chinese students studying abroad will also grow, expanding our potential student base. In order to enhance student experience, our Institute offers a range of student services, including English language support and student academic and life counselling to help our international students adjust and adapt to Australian life. Additionally, to further facilitate international education exchanges and attract students, we maintain strong ties with the Chinese education sector through pathway programs and other academic exchanges with Chinese universities and other higher education providers.

Based in Sydney, Australia, our Institute is committed to providing quality higher education in business and law. Historically, our emphasis has been focused on providing undergraduate and postgraduate awards in business studies, including accounting courses accredited by major professional accounting bodies in Australia. In 2015, we expanded our offerings by establishing the first and only private non-university law school in Australia with a Bachelor of Laws course accredited by the LPAB. We also seek to strengthen our research capabilities and develop a research culture at our Institute by increasing our research funding and further promoting our postgraduate research course, with a view to continually improving and expanding our higher education offerings and ultimately obtaining the status as a university of specialisation.

ALLIANCE WITH PWC AUSTRALIA

In May 2016, PwC Nominees, as a nominee for PwC Australia, became a substantial shareholder in TOP and PwC Australia entered into a long term Alliance Agreement with us. Under the Alliance Agreement, PwC Australia has agreed to provide a variety of services to help expand our academic and non-academic programs, and we received rights to co-brand our business, programs and services with PwC Australia. As at the Latest Practicable Date, the investment by PwC Nominees in our Company is the only shareholding directly or beneficially held by PwC Australia in a higher education organisation. We have already begun working with PwC Australia on a range of projects including creating a VR application to teach accounting fundamentals, establishing a Student Career Development Program

SUMMARY

(“SCDP”), and offering corporate training programs. Additionally, PwC Australia offers short term placement opportunities for our students. PwC Australia assists us with marketing and promoting our business and products, including attending certain student promotional events in both Australia and China, and allowing us to use their world-class facilities in Sydney to host our graduation ceremony in August 2017.

KEY OPERATING AND FINANCIAL DATA

We generally measure our student number with reference to EFTSL, which is a measurement of student enrolment calculated by dividing the total number of units taken by our students in a given year by 8 (which is the average number of units a single full-time student should take at our Institute in a year). The table below provides a summary of the EFTSL and revenue from tuition for TOP Business and TOP Law for the years/period provided:

	Year ended 30 June			Four months ended 31 October*
	2015	2016	2017	2017
TOP Business				
EFTSL	860.7	932.1	984.5	780.5
Revenue from tuition (in AUD\$'000) .	14,133	16,089	17,974	7,752
TOP Law				
EFTSL	—	16.4	51.0	55.5
Revenue from tuition (in AUD\$'000) .	—	206	687	405

Note:

* EFTSL for the four months ended 31 October 2017 refers to EFTSL for the second term of the 2017 academic year, which is calculated by dividing the total number of units taken by our students in the second term of the 2017 academic year by 4.

Our EFTSL for TOP Business increased in the years ended 30 June 2016 and 2017 due to an increase in our approved student capacity number for international students, the launch of our Bachelor of Applied Finance and Accounting course and increased enrolment in our Bachelor of International Business course following our alliance with PwC Australia. Our revenue from tuition for TOP Business increased in the years ended 30 June 2016 and 2017 primarily because of increases in tuition rates and the increase in EFTSL.

We launched TOP Law with our Bachelor of Laws course in 2016. Our EFTSL and revenue from tuition for TOP Law increased in the year ended 30 June 2017 due to the entrance of a new cohort of students.

The table below provides a breakdown of our revenue by category for the years/periods provided:

	Year ended 30 June						Four months ended 31 October			
	2015		2016		2017		2016		2017	
	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue
(unaudited)										
Tuition										
Undergraduate	3,832	22.4	5,207	29.9	7,895	37.4	2,714	36.3	3,660	40.7
Postgraduate	10,301	60.2	11,088	63.7	10,766	50.9	4,151	55.5	4,497	50.0
Non-award programs . . .	2,818	16.4	917	5.3	2,112	10.0	557	7.4	767	8.5
Total tuition	16,951	99.0	17,212	98.9	20,773	98.3	7,422	99.2	8,924	99.2
Non-tuition fees	163	1.0	196	1.1	365	1.7	62	0.8	70	0.8
Total revenue	17,114	100.0	17,408	100.0	21,138	100.0	7,484	100.0	8,994	100.0

Our revenue from tuition increased throughout the Track Record Period primarily due to increases in tuition rates and student enrolment for our award courses as we broadened our course offerings and entered into our alliance with PwC Australia, and due to increases in non-award program tuition from the launch of SCDP.

SUMMARY

CUSTOMERS AND SUPPLIERS

Our customers primarily consist of our students and corporate training customers. We did not have any single customer who accounted for more than 5% of our revenue for each of the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017.

Our suppliers primarily comprise agents, vendors and service providers for our facility operations. Our five largest suppliers during the Track Record Period were agents who help guide students through the application process. For the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, commissions to our five largest suppliers amounted to AUD\$1.1 million, AUD\$1.2 million, AUD\$1.6 million and AUD\$0.6 million, respectively, which represented 14.8%, 14.5%, 15.7% and 16.8% of our total cost of sales in the same year/period. During the same periods, commissions to our largest supplier for each year amounted to AUD\$0.3 million, AUD\$0.3 million, AUD\$0.4 million and AUD\$0.2 million, respectively, which represented 3.4%, 3.4%, 4.2% and 4.8%, respectively, of our total cost of sales in the same year/period. None of our Directors, their respective associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, has any interest in any of our five largest suppliers during the Track Record Period and up to the Latest Practicable Date.

COMPETITIVE STRENGTHS

We believe we have the following competitive strengths that will continue to drive our future success:

- As an Australian higher education provider with a substantial Chinese student population, we are well-positioned to seize opportunities from both Australia and China in the international higher education environment.
- We are devoted to delivering quality higher education courses and excellent student experience.
- We have established a mature and robust mechanism of governance and management, run by experienced and dedicated teams committed to long-term, forward-looking planning.
- PwC Australia's alliance with us and PwC Nominee's investment enhance our standing, marketing position and future development prospects.

BUSINESS STRATEGIES

We aim to continue to expand our market share and strengthen our market position by pursuing the following strategies:

- Continue to develop our higher education provision in Australia as our core business.
 - We endeavour to obtain self-accrediting authority and eventually private university status.
 - We plan to further expand our higher education award courses in various fields.
 - We intend to continue expanding our campus premises and student capacity for higher education, subject to regulatory approval.
 - We have discussed with PwC Australia and together, we intend to leverage our business expertise and resources to jointly contribute to a first class business education capability.
- Expand our reputation, presence and synergies in China to take advantage of China's growing economy and educational opportunities.
- Expand our non-award programs with PwC Australia to supplement our core higher education business.
- Develop our infrastructure and delivery model from traditional methods towards a more updated, digital direction.

SUMMARY

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following information should be read in conjunction with our financial information included in the Accountants' Report, together with the accompanying notes, and the section headed "Financial Information" in this prospectus. Our financial information have been prepared in accordance with IFRSs, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. Our historical results are not necessarily indicative of results that may be achieved in any future periods.

Summary Statement of Profit or Loss and Other Comprehensive Income Information

	Year ended 30 June						Four months ended 31 October			
	2015		2016		2017		2016		2017	
	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue
	(unaudited)									
Revenue	17,114	100.0	17,408	100.0	21,138	100.0	7,484	100.0	8,994	100.0
Cost of sales	(7,712)	(45.1)	(8,055)	(46.3)	(9,977)	(47.2)	(3,151)	(42.1)	(3,780)	(42.0)
Gross profit	9,402	54.9	9,353	53.7	11,161	52.8	4,333	57.9	5,214	58.0
Other income	426	2.5	417	2.4	315	1.5	94	1.3	118	1.3
Administrative expenses . .	(1,762)	(10.3)	(3,591)	(20.6)	(3,448)	(16.3)	(1,017)	(13.6)	(3,357)	(37.3)
Advertising and marketing expenses	(635)	(3.7)	(1,161)	(6.7)	(1,199)	(5.7)	(408)	(5.5)	(365)	(4.1)
Other operating expenses . .	(98)	(0.6)	(61)	(0.4)	(60)	(0.3)	(8)	(0.1)	—	—
Profit before income tax .	7,333	42.8	4,957	28.5	6,769	32.0	2,994	40.0	1,610	17.9
Income tax expenses	(2,572)	(15.0)	(1,515)	(8.7)	(2,167)	(10.3)	(901)	(12.0)	(513)	(5.7)
Profit for the year/period .	<u>4,761</u>	<u>27.8</u>	<u>3,442</u>	<u>19.8</u>	<u>4,602</u>	<u>21.8</u>	<u>2,093</u>	<u>28.0</u>	<u>1,097</u>	<u>12.2</u>

Our gross profit increased across each of the years ended 30 June 2015, 2016 and 2017 mainly as a result of growth in revenue from increased tuition rates and student enrolment. Our gross profit margin decreased slightly across each of the years ended 30 June 2015, 2016 and 2017 due to a greater percentage increase in costs of sales compared to revenue, as our employee benefit expenses related to costs of sales increased because we hired more academic staff to support the launch of new courses. Our administrative expenses increased significantly during the year ended 30 June 2016 mainly because of a performance bonus awarded to Dr. Zhu and an increase in the number of administrative employees, and decreased during the year ended 30 June 2017 as no such performance bonus was awarded that year. Our advertising and marketing expenses increased during the Track Record Period to promote the launch of TOP Law and our other new courses for the year ended 30 June 2016 and to expand our marketing staff for the year ended 30 June 2017. For the four months ended 31 October 2017, our gross profit and gross profit margin increased compared to the four months ended 31 October 2016 due to increases in tuition rates and EFTSL. Administrative expenses increased significantly for the four months ended 31 October 2017 compared to the four months ended 31 October 2016 due to listing expenses. As a result, profit for the period for the four months ended 31 October 2017 decreased compared to the four months ended 31 October 2016.

Summary Statement of Financial Position Information

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
Non-current assets	2,551	6,187	6,479	7,181
Current assets	17,417	18,840	17,547	18,217
Current liabilities	4,303	14,371	6,343	6,284
Net current assets	13,114	4,469	11,204	11,933
Non-current liabilities	55	157	151	181
Net assets	15,610	10,499	17,532	18,933

SUMMARY

The increase in non-current assets as at 30 June 2016 compared to 30 June 2015 primarily related to credit to be used to pay for services with PwC Australia which we received as part of our alliance with PwC Australia. Our current liabilities increased as at 30 June 2016 compared to 30 June 2015 mainly because of dividends payable for dividends declared during the year ended 30 June 2016. Such dividends were fully paid by 30 June 2017, resulting in a decrease in current liabilities.

Summary Cash Flow Statement Information

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
				(Unaudited)	
Net cash generated from operating activities	3,912	5,588	6,321	409	451
Net cash used in investing activities	(980)	(1,866)	(1,682)	(732)	(394)
Net cash used in financing activities	—	(2,664)	(6,495)	(8,889)	—
Cash and cash equivalents at the end of the year/period	16,898	17,956	16,100	8,744	16,157

Our net cash generated from operating activities has increased each year for the years ended 30 June 2015, 2016 and 2017 primarily due to an overall increase in profit before tax combined with increases in deferred income relating to advanced payments of tuition by students. Our net cash used in investing activities increased in year ended 30 June 2016 mainly because of greater investments made in intangible assets to support our new courses and higher education registration, and investments in property, plant and equipment. Our net cash used in financing activities during the Track Record Period was primarily attributable to payment of dividends declared during the year ended 30 June 2016.

Key Financial Ratios

	As at/Year ended 30 June			As at/Four months ended 31 October	
	2015	2016	2017	2017	
	Return on assets ⁽¹⁾ (%)	26.3	15.3	18.8	13.3
Return on equity ⁽²⁾ (%)	36.0	26.4	32.8	18.1	
Current ratio ⁽³⁾	4.0x	1.3x	2.8x	2.9x	

Notes:

- (1) Return on assets is calculated by dividing profit for the year by the average of total assets as at the end of the year and the previous year and multiplied by 100%. The decrease in return on assets between the years ended 30 June 2015 and 2016 was due to (i) a decrease in profit for the year primarily resulting from increases in administrative expenses related to certain performance bonus payable to Dr. Zhu and in advertising and marketing expenses related to the launch of TOP Law and our new courses and (ii) an increase in total assets. This was followed by an increase in return on assets for the year ended 30 June 2017, which was primarily due to the impact of our alliance with PwC Australia and our new revenue stream from corporate training programs. For the four months ended 31 October 2017, return on assets is calculated by dividing the annualized profit for the period (four months multiplied by three) by the average of the total assets as at the end of the period and as at 30 June 2017. Return on assets for the four months ended 31 October 2017 decreased compared to the year ended 30 June 2017 primarily due to a decrease in profit for the period (as annualized) mainly because of listing expenses incurred.
- (2) Return on equity is calculated by dividing profit for the year by the average of total equity as at the end of the year and the previous year and multiplied by 100%. The decrease in return on equity between the years ended 30 June 2015 and 2016 was primarily due to the decrease in profit for the year as discussed in the above note. This was followed by an increase in return on equity for the year ended 30 June 2017, which was primarily due to the increase in profit for the year ended 30 June 2017 and the declaration of dividends in the year ended 30 June 2016. For the four months ended 31 October 2017, return on equity is calculated by dividing the annualized profit for the period (four months multiplied by three) by the average of the total equity as at the end of the period and as at 30 June 2017. Return on equity for the four months ended 31 October 2017 decreased compared to the year ended 30 June 2017 primarily due to an increase in average total equity after the declaration of dividend in the year ended 30 June 2016 combined with a decrease in profit for the period (as annualized).

SUMMARY

- (3) Current ratio is calculated by dividing total current assets by total current liabilities as at the date indicated. The decrease in current ratio between 30 June 2015 and 2016 was primarily due to the impact of the dividends payable as at 30 June 2016. This was followed by an increase in current ratio as at 30 June 2017, which was primarily the result of (i) the payment of all outstanding dividends payable and (ii) the cash generated from operations, during the year ended 30 June 2017.

INDUSTRY LANDSCAPE

Higher education providers in Australia are regulated by TEQSA in accordance with the TEQSA Act. As at July 2017, there were 166 accredited public and private higher education providers in Australia. According to Ipsos, the total revenue of the higher education industry in Australia recorded a growth from AUD\$16,019.7 million in 2012 to AUD\$20,941.4 million in 2016 at a CAGR of 6.9%. Ipsos estimates that the total revenue of the higher education industry in Australia will continue to increase from AUD\$21,965.2 million in 2017 to AUD\$26,669.0 million in 2021 at a CAGR of 5.0%.

CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, the Controlling Shareholders Group, being a group of individuals and entities who/which are our founding Shareholders or had invested in our Company at an early stage, and were acting in concert with each other in respect of the Listing, is the controlling shareholder (as defined in the Listing Rules) of our Company holding approximately 45.27% of the issued share capital of our Company. Details of the confirmation deed entered into by the members of the Controlling Shareholders Group are set out under the section headed “History, Reorganisation and Company Structure — Confirmation Deed” in this prospectus. Accordingly, Shares held by the Controlling Shareholders Group will be subject to lock-up for the period commencing on the date of this prospectus and ending on the date which is six months from the Listing Date as required under Rule 10.07(1)(a) of the Listing Rules and a further six months from the expiry of the above six-month period as required under Rule 10.07(1)(b) of the Listing Rules. In addition, Shares held by the Controlling Shareholders Group will be subject to lock-up commencing on the date of the Hong Kong Underwriting Agreement and ending on the date 12 months after the Listing Date. For further details, please refer to the section “Underwriting — Underwriting Arrangements and Expenses — Undertakings pursuant to the Hong Kong Underwriting Agreement” of this prospectus.

Immediately following completion of the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon the exercise of options granted under the Share Option Scheme and any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan), our Company will be owned as to approximately 33.95% by the Controlling Shareholders Group. All the members of the Controlling Shareholders Group will be our Controlling Shareholders immediately after the Listing.

PRE-IPO PERFORMANCE RIGHTS PLANS

The Pre-IPO Performance Rights Plan was adopted under written resolutions of our Board passed on 8 June 2017. As at the Latest Practicable Date, 60,160 performance rights had been granted to Dr. Zhu under this plan. Our Company has on 20 April 2018 granted an additional 11,481 performance rights under the Pre-IPO Performance Rights Plan to certain members of the Council and certain Directors, including (i) Mr. Jing Li, being our non-executive Director; and (ii) Professor Brian James Stoddart and Professor Steven Schwartz, being our independent non-executive Directors and members of the Council. For further information on the grantees of the Pre-IPO Performance Rights Plan, please refer to the section headed “Appendix IV — E. Pre-IPO Performance Rights Plan”. The shareholding of each of Professor Brian James Stoddart and Professor Steven Schwartz in our Company will not be more than 1% of the enlarged share capital of our Company upon completion of the Global Offering assuming that their performance rights above are fully vested (without taking into account any Shares which may be allotted and issued upon the exercise of the Over-allotment Option, the exercise of options under the Share Option Scheme and the exercise of the performance rights granted under the Pre-IPO Performance Rights Plan).

SUMMARY

The maximum aggregate number of Shares underlying all grants of performance rights pursuant to the Pre-IPO Performance Rights Plan is 143,282,000 Shares, assuming the total of 71,641 performance rights granted under the Pre-IPO Performance Rights Plan are fully vested after the completion of the share split, which would incur a dilution of approximately 5.4% of the shareholding of the Shareholders immediately following the Listing (without taking into account any Shares to be issued upon the exercise of the Over-allotment Option and the exercise of options under the Share Option Scheme). No further performance rights will be granted under the Pre-IPO Performance Rights Plan on or after the Listing Date. Please see the section headed “Appendix IV — E. Pre-IPO Performance Rights Plan” in this prospectus.

SHARE OPTION SCHEME

We have conditionally adopted the Share Option Scheme pursuant to which selected participants may be granted options to subscribe for Shares as incentives or rewards for their contribution to our Company and subsidiaries. For details of the Share Option Scheme, please refer to the section headed “Appendix IV — Statutory and General Information — F. Share Option Scheme” in this prospectus.

GLOBAL OFFERING STATISTICS⁽¹⁾

The statistics below are based on the assumption that 628,400,000 Offer Shares are issued under the Global Offering:

	<u>Based on the low end of the indicative Offer Price range of HK\$0.27 per Share</u>	<u>Based on the high end of the indicative Offer Price range of HK\$0.37 per Share</u>
Market capitalisation of our Shares ⁽²⁾	HK\$678.63 million	HK\$929.97 million
Unaudited pro forma adjusted combined net tangible assets per Share ⁽³⁾	HK\$0.06	HK\$0.12

Notes:

- (1) All statistics presented herein are based on the assumption that the Over-allotment Option is not exercised and do not take into account any Shares which may be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of options granted under the Share Option Scheme.
- (2) The calculation of market capitalisation is based on the assumption that 2,513,428,000 Shares will be in issue immediately following completion of the Global Offering.
- (3) The unaudited pro forma adjusted net tangible assets per Share is calculated after the adjustments referred to in the section headed “Financial Information — Unaudited Pro Forma Adjusted Net Tangible Assets” in this prospectus and the section headed “Appendix II — A. Unaudited Pro Forma Adjusted Net Tangible Assets” in this prospectus and on the basis of 2,513,428,000 Shares to be in issue immediately following completion of the Global Offering.

DIVIDEND POLICY

Subject to the provisions of the Constitution and the Australian Corporations Act and the discretion of our Directors, we currently target to distribute to our Shareholders not less than 30% of our profit for the relevant year attributable to equity shareholders of the Company. Declaration of dividends is subject to the discretion of our Directors depending on the results of our operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which our Directors may consider relevant. For more information, see the section headed “Financial Information — Dividends and Dividend Policy” in this prospectus.

SUMMARY

REASONS FOR LISTING

During the Track Record Period and up to the Latest Practicable Date, we were able to fund our cash flow needs primarily through internally-generated cash flows from operations and we did not have any bank borrowings. Although our Company has strong operating cashflow as we collect the tuition fees at the beginning of each term, the cash received is mainly used for daily operations and organic growth.

In order to achieve long-term growth and develop new revenue streams, we have formulated the business strategies as stated in the section headed “Business — Business Strategies” in this prospectus. In view of the additional capital required for the implementation of the business strategies, our Directors are of the view that sole reliance on internally-generated cashflow from operations will impose constraints on and delay the overall growth of our Company.

Upon Listing, our Company would have additional funds for business development and we would have more flexibility in exploring future acquisition and partnership opportunities since we would have the option to issue listed equities or equity-linked securities as consideration for such opportunities. Besides, a successful Listing would enable us to offer staff with better retention benefits through the introduction of the Share Option Scheme. The principal terms of the Share Option Scheme are summarised in the section headed “Appendix IV — Statutory and General Information — F. Share Option Scheme” in this prospectus.

Our Directors decided to apply to list the Company in Hong Kong because Hong Kong is an internationally-recognised financial centre with a number of competitive advantages, such as its sound legal system and regulatory framework, established international and institutional investor base and developed secondary funding platform, as well as generally sound liquidity of the securities of Hong Kong-listed companies. While our Company’s business is primarily based in Australia, our Directors believe that listing in Hong Kong allows us to have higher liquidity and greater exposure to a wider analyst and investor base, as compared to other jurisdictions such as Australia.

Apart from the above, the unique role of Hong Kong as a gateway to China makes the Hong Kong stock market an ideal platform for listed issuers to access otherwise unreachable Chinese investors and to leverage off the multitude of opportunities offered by the growing Chinese economy. Moreover, given that Chinese overseas students are our major target customers and expansion of our reputation and presence in China is one of our key business strategies, our Directors believe that listing on the Stock Exchange, being an internationally-recognised stock exchange that is closest and most accessible to China, would be particularly beneficial to our Company as listing in Hong Kong would enhance our corporate image and public profile in China as well as among the Chinese potential customers and investors.

USE OF PROCEEDS

The net proceeds from the Global Offering, after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering, are estimated to be approximately HK\$162.1 million before exercise of the Over-allotment Option, assuming an Offer Price of HK\$0.32 per Share, being the mid-point of the indicative Offer Price range of HK\$0.27 to HK\$0.37 per Share. We intend to use such net proceeds for the following purposes:

- Approximately HK\$66.5 million (approximately 41.0% of our total estimated net proceeds) for investments to expand our presence in China and Australia by acquiring or investing in educational groups or institutions.
- Approximately HK\$43.2 million (approximately 26.7% of our total estimated net proceeds) for establishing six student experience centres in China. Each of these student experience centres will incorporate virtual reality or augmented reality technology to allow potential students to experience life in Sydney and at our Institute.

SUMMARY

- Approximately HK\$15.3 million (approximately 9.4% of our total estimated net proceeds) for upgrading our campus infrastructure.
- Approximately HK\$8.9 million (approximately 5.5% of our total estimate net proceeds) for expanding our campus locations, which include acquiring new potential location in ATP, Sydney central business district, and in other Australian states, such as Tasmania or Melbourne.
- Approximately HK\$8.0 million (approximately 4.9% of our total estimated net proceeds) for further development of SCDP as an online program which can be made available to a wide range of students by utilising an existing MOOC platform.
- Approximately HK\$7.1 million (approximately 4.4% of our total estimated net proceeds) for expanding our sales and marketing activities.
- Approximately HK\$5.0 million (approximately 3.1% of our total estimated net proceeds) for expanding our research and scholarship activities as part of our strategy to obtain self-accrediting authority and eventually university status.
- Approximately HK\$8.1 million (approximately 5.0% of our total estimated net proceeds) for working capital and general corporate purposes, including, but not limited to, the further development of non-award programs.

For more information, see the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in this prospectus.

RISK FACTORS

Our business is subject to a number of risks, including risks relating to our business and the higher education industry in Australia generally, and risks relating to the Global Offering. We believe that the following are some of the major risks that we face: (i) any decrease in the number of Chinese students studying abroad in Australia could negatively impact our business, profitability and financial position; (ii) as a higher education provider in Australia with international students, we are subject to periodic registration requirements which are valid for a limited period, and we must undergo extensive reviews in accordance with the regulatory requirements to obtain registration renewals; (iii) our alliance with PwC Australia to develop our Institute and other programs may not succeed; (iv) there is no guarantee that the leases for our campus facilities will be renewed on favourable terms or at all, or that such leases will not be terminated early; and (v) investments in our Company may be subject to restrictions under Australian foreign investment laws.

As different investors may have different interpretations and standards for determining the materiality of a risk, you should read the entire section headed “Risk Factors” in this prospectus carefully before you decide to invest in the Offer Shares. The Stock Exchange and SFC issued the Joint Policy Statement which sets out guidance for overseas companies seeking to list on the Stock Exchange, including requirements that these overseas companies must demonstrate that it is subject to the key shareholder protection standards set out in the Joint Policy Statement. The Stock Exchange has approved Australia as one of the acceptable jurisdictions of incorporation. As a company registered in Australia, we confirm that following certain amendments made to the Constitution, the shareholder protection standard in Australia in respect of the matters set out in the Joint Policy Statement will not be materially different from the key shareholder standards set out in the Joint Policy Statement. Further information about Australian foreign investment laws can also be found in the sections headed “Regulatory Overview — Regulations in Relation to Foreign Investment in Australia” and “Appendix III — Summary of the Constitution and the Australian Corporations Act” in this prospectus. You should not place any reliance on any information contained in press articles, research analysts’ reports or other media regarding us and the Global Offering, certain of which may not be consistent with the information contained in this prospectus.

SUMMARY

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

The third term (summer term) of the 2017 academic year commenced in November 2017. We recorded student enrolment for this term of 412 EFTSL (calculated by dividing the total number of units taken in this term by 4, which is the average number of units taken by a single full-time student in a term). This comprised 179 EFTSL from international undergraduate students, 211 EFTSL from international postgraduate students, 21 EFTSL from domestic undergraduate students and 1 EFTSL from domestic postgraduate students.

Our revenue for the four months ended 28 February 2018 increased compared to the four months ended 28 February 2017 primarily due to increased EFTSL and tuition rates.

In April 2018, we declared dividends in the amounts of AUD\$2.4 million and AUD\$3.9 million from the profit for the years ended 30 June 2016 and 30 June 2017, respectively, to be settled in cash. All these dividends will be fully settled in cash prior to Listing.

We also had the following developments in our non-award programs:

- We entered into a new contract with a client for our corporate training program.
- We launched our Career Edge initiative comprising various programs aimed at helping our students become career ready. Programs include Career Prep Workshops where industry professionals provide advice on job-seeking skills and the Professional Placement Program where we help arrange work placements for our students with government agencies, businesses and other partnered entities. PwC Australia will participate in each of the Career Edge programs, including providing work placement positions for up to 100 students each year.

For more information on our non-award programs, please see the section headed “Business — Alliance with PwC Australia and Related Programs” in this prospectus.

Our Directors confirm that there has been no material adverse change in our financial or trading position since 31 October 2017 (being the date of our latest audited statements of financial results, as set out in the Accountants’ Report in Appendix I to this prospectus) and up to the date of this prospectus.

LISTING EXPENSES

We expect to incur total listing expenses (including professional fees, underwriting commissions and other fees and without taking into account of the issue of new Shares under the Over-allotment Option) of approximately HK\$57.1 million (based on the mid-point of the indicative Offer Price range), of which approximately HK\$37.5 million has been or is expected to be recognised in our statements of profit or loss and other comprehensive income and approximately HK\$19.6 million is expected to be capitalised upon Listing. Listing expenses of approximately HK\$18.2 million were reflected in our statements of profit or loss and other comprehensive income for the Track Record Period and an additional amount of approximately HK\$19.3 million is expected to be recognised in our statements of profit or loss and other comprehensive income for the year ending 30 June 2018. The listing expenses above are the latest practicable estimate for reference only and the actual amount may differ from the estimate. Our Directors expect that our financial results for the year ending 30 June 2018 will be impacted by the non-recurring listing expenses to be charged to our statements of profit or loss and other comprehensive income.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Academic Board”	the academic board of our Institute
“Alliance Agreement”	the alliance agreement dated 27 May 2016 entered into between our Company and PwC Australia
“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s), or where the context so requires, any of them, relating to the Hong Kong Public Offering
“ATP”	the Australian Technology Park
“AUD\$”	Australian dollars, the lawful currency of Australia
“Australia”	the Commonwealth of Australia
“Australian Corporations Act”	the Corporations Act 2001(Cth) of Australia, as amended, supplemented or otherwise modified from time to time
“Billion Glory”	Billion Glory Group Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability on 8 June 2016, which is wholly-owned by Mr. Yang
“Board”	the board of Directors
“business day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are open for normal banking business
“CAGR”	compound annual growth rate
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual, joint individuals or a corporation

DEFINITIONS

“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this prospectus and for geographical reference only and except where the context requires, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Class A Share(s)”	class A shares of our Company, details of which are set out in the section headed “History, Reorganisation and Company Structure — Our Pre-IPO Investments — The Third Round Pre-IPO Investment” in this prospectus
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “Institute”, “TOP”, “we”, “us” or “our”	Top Education Group Ltd (ACN 098 139 176) 澳洲成峰高教集團有限公司, a public company registered in New South Wales, Australia with limited liability on 2 October 2001 and trading as Top Education Institute
“Constitution”	the constitution of our Company conditionally adopted on 18 April 2018 and effective upon the Listing, as amended, as supplemented or otherwise modified from time to time, a summary of which is set out in Appendix III to this prospectus
“controlling shareholder(s)”	has the meaning given to it in the Listing Rules and, unless the context otherwise requires, refers to the controlling shareholder(s) of our Company, being the Controlling Shareholders Group
“Controlling Shareholders Group”	collectively, Dr. Zhu, Mr. Yang, Tristar United, Mr. Lee, Mr. Wang and Billion Glory, being a group of six individuals and entities
“Council”	Top Education Institute Council
“Deed of Indemnity”	the deed of indemnity dated 18 April 2018 given by each of the Shareholders in the Controlling Shareholders Group in favour of the Company, details of which are set out in the section headed “Appendix IV — Statutory and General Information — G. Other Information” in this prospectus

DEFINITIONS

“Deed of Non-competition”	the deed of non-competition dated 18 April 2018 given by each of the Shareholders in the Controlling Shareholders Group in favour of the Company, details of which are set out in the section headed “Relationship with Controlling Shareholders — Deed of Non-competition” in this prospectus
“Director(s)”	the director(s) of our Company
“Dr. Zhu”	Dr. Minshen Zhu 祝敏申, an executive Director, the chairman of our Board, our chief executive officer and the appointed representative of the Controlling Shareholders Group
“G&H Partners”	G&H Partners Co Pty Ltd (ACN 164 926 443), a private company registered in New South Wales, Australia with limited liability on 22 July 2013, which is owned by Gu Menghong and Lzyh Investments Pty Ltd (a company wholly-owned by Zhou Xiang Huang) in equal proportions and is a Shareholder
“Global Offering”	the Hong Kong Public Offering and the International Offering
“GREEN Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
“GUFU”	Guangxi University of Finance and Economics
“HK\$” or “HK dollars” or “cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the 62,840,000 Shares initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus)

DEFINITIONS

“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus) at the Offer Price plus brokerage, SFC transaction levy and Stock Exchange trading fee, on and subject to the terms and conditions described in this prospectus and on the Application Forms as further described in the section head “Structure of the Global Offering — Hong Kong Public Offering”
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated Thursday, 26 April 2018 entered into by, among others, our Company and the Hong Kong Underwriters in connection with the Hong Kong Public Offering, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses” in this prospectus
“IFRSs”	International Financial Reporting Standards
“Independent Third Party(ies)”	person(s) or company(ies) which, to the best of our Directors’ knowledge having made all due and careful enquiries, is/are not connected (within the meaning of the Listing Rules) with our Company
“International Offer Shares”	the 565,560,000 Shares initially offered by our Company for subscription or purchase pursuant to the International Offering together with (where relevant) any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option (subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus)
“International Offering”	the offer of the International Offer Shares by the International Underwriters outside the United States in offshore transactions in accordance with Regulation S as described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the group of international underwriters expected to enter into the International Underwriting Agreement to subscribe or procure subscribers for the International Offer Shares

DEFINITIONS

“International Underwriting Agreement”	the underwriting agreement expected to be entered into on or about Thursday, 3 May 2018 by, among others, our Company and the International Underwriters, as further described in the section headed “Underwriting — The International Offering” in this prospectus
“Ipsos”	Ipsos Limited, a market research company which was commissioned by us to prepare the Ipsos Report and an Independent Third Party
“Ipsos Report”	a report dated 27 April 2018 prepared by Ipsos in relation to the higher education industry in Australia
“Joint Bookrunners” and “Joint Lead Managers”	China Galaxy International, CCB International Capital Limited, Essence International Securities (Hong Kong) Limited, AMTD Global Markets Limited, First Capital Securities Company Limited, Ever-Long Securities Company Limited, China Everbright Securities (HK) Limited and Lego Securities Limited
“Joint Global Coordinators”	China Galaxy International, CCB International Capital Limited, Essence International Securities (Hong Kong) Limited and AMTD Global Markets Limited
“Latest Practicable Date”	19 April 2018, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to the date of this prospectus
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Date”	the date, expected to be on or about Friday, 11 May 2018, on which dealings in our Shares will first commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Loyal Creation”	Loyal Creation Investment Ltd, a company incorporated under the laws of Hong Kong with limited liability on 30 October 2015, which is owned as to 40% by Wang Weiping, 30% by Sun Lian Zhang and 30% by Yam Hau Lam and is a Shareholder

DEFINITIONS

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Mr. Lee”	Amen Kwai Ping Lee 李桂平, a non-executive Director and one of the members of the Controlling Shareholders Group
“Mr. Liu”	Chaohui Liu 劉朝暉, a Shareholder
“Mr. Wang”	Xin Wang 王新, one of the members of the Controlling Shareholders Group
“Mr. Yang”	Qingquan Yang 楊清泉, one of the members of the Controlling Shareholders Group
“Offer Price”	the final price per Offer Share in Hong Kong dollars (denominated in HK\$, exclusive of 1% brokerage fee, 0.0027% SFC transaction levy and 0.005% Stock Exchange trading fee) of not more than HK\$0.37 and expected to be not less than HK\$0.27, at which the Hong Kong Offer Shares are to be subscribed, to be determined in the manner further described in the section headed “Structure of the Global Offering — Pricing and Allocation” in this prospectus
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
“Oriental Scholar”	Oriental Scholar Bridge Limited, a company incorporated under the laws of Hong Kong with limited liability on 13 July 2016, which is wholly-owned by Dai Yi, who is an Independent Third Party
“Over-allotment Option”	the option expected to be granted by our Company to the International Underwriters, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to sell up to an aggregate of 94,260,000 Shares at the Offer Price to cover, among others, over-allocations in the International Offering, if any, further details of which are described in the section headed “Structure of the Global Offering” in this prospectus

DEFINITIONS

“Pre-IPO Investments”	collectively, the First Round Pre-IPO Investments, the Second Round Pre-IPO Investments and the Third Round Pre-IPO Investments, details of which are set out in the section headed “History, Reorganisation and Company Structure — Our Pre-IPO Investments” in this prospectus
“Pre-IPO Investors”	collectively, Dr. Zhu, Loyal Creation, Billion Glory, Mr. Wang, Oriental Scholar, Xinjiang Guoli, G&H Partners, Mr. Liu, PwC Nominees, and the Third Round Pre-IPO Investors, and each a “Pre-IPO Investor”
“Pre-IPO Performance Rights Plan”	the pre-IPO performance rights plan conditionally adopted by our Board on 8 June 2017, a summary of the principal terms of which is set out in the section headed “Appendix IV — E. Pre-IPO Performance Rights Plan” in this prospectus
“Price Determination Agreement”	the agreement to be entered into between our Company and the Joint Global Coordinators, acting for themselves and on behalf of the Underwriters, on the Price Determination Date to record and determine the Offer Price
“Price Determination Date”	the date, expected to be on or about Thursday, 3 May 2018, on which the Offer Price is determined or such later date as agreed between the parties to the Price Determination Agreement but in any event no later than Wednesday, 9 May 2018
“PwC Australia”	PricewaterhouseCoopers (ABN 52 780 433 757), Australia, chartered public accountants in Australia
“PwC Nominees”	PricewaterhouseCoopers Nominees (A.C.T.) Pty Ltd, a company registered in Australian Capital Territory, Australia with limited liability on 29 August 1969, which is owned as to 50% by PricewaterhouseCoopers Nominees (N.S.W.) Pty Ltd and 50% by PricewaterhouseCoopers Nominees (Victoria) Pty Ltd, a substantial Shareholder
“Regulation S”	Regulation S under the US Securities Act
“Reorganisation”	the reorganisation of our Company in preparation for the Listing involving a share split, further details of which are set out in the section headed “History, Reorganisation and Company Structure” in this prospectus
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	share(s) in the capital of our Company
“Share Option Scheme”	the post-IPO share option scheme conditionally adopted by our Company on 18 April 2018, the principal terms of which are set out in the section headed “Appendix IV — F. Share Option Scheme” in this prospectus
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Deed”	the shareholder’s deed dated 26 October 2009 entered into among Dr. Zhu, Mr. Yang, Mr. Wang, Mr. Lee, Tristar United, High Summit and our Company, as subsequently amended by (i) the amended shareholder’s deed dated 27 May 2016 entered into among the same parties and PwC Nominees and (ii) the second amended shareholder’s deed dated 28 July 2016 entered into among the Controlling Shareholders Group, PwC Nominees, Loyal Creation, Oriental Scholar, Xinjiang Guoli, Mr. Liu and G&H Partners (pursuant to the deeds of accessions dated 29 August 2016), the Third Round Pre-IPO Investors (pursuant to deeds of accessions dated 26 April 2017 and 27 April 2017 signed by the Third Round Pre-IPO Investors), and TOP
“Sole Sponsor” or “China Galaxy International”	China Galaxy International Securities (Hong Kong) Co., Limited, a licensed corporation carrying on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under SFO, being the sole sponsor of our Company for the Listing and one of the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers of the Global Offering
“Stabilising Manager”	one of the Joint Global Coordinators (or any of its affiliates or any persons acting for it) to be appointed as such by the Company as set out in the International Underwriting Agreement
“Stock Borrowing Agreement”	the agreement to be entered into between the Stabilising Manager as borrower and Dr. Zhu as lender on the Price Determination Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time
“Third Round Pre-IPO Investment”	the Third Round Pre-IPO Investments, details of which are set out in the section headed “History, Reorganisation and Company Structure — Our Pre-IPO Investments” in this prospectus

DEFINITIONS

“Third Round Pre-IPO Investors”	collectively, Kai Zhang, TD Seymour Pty Ltd (or TD Seymour P/L), QS5 Pty Limited, Carter Oaktree Pty Limited, Caves Kumar and Co Pty Ltd, New Hampshire Pty Ltd, The Hayden Scott/Capital Custodians Pty Ltd Partnership and M&S McGrath Investments Pty Ltd, further details are set out in the section headed “History, Reorganisation and Company Structure — Our Shareholders” in this prospectus
“TOP Business”	Sydney City School of Business
“TOP Law”	Sydney City School of Law
“Track Record Period”	the period comprising the three years ended 30 June 2017 and the four months ended 31 October 2017
“Tristar United”	Tristar United Investment Limited, a company incorporated under the laws of New Zealand with limited liability on 12 November 2001, which is owned as to 30% by Ding Jian Yong, 30% by Stanly Cheung S.W., 23% by Mo Lindi and 17% by Zhang Dongbo, who are Independent Third Parties, and is a Shareholder
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“US” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US Securities Act”	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“US\$”	United States dollars, the lawful currency of the United States
“ WHITE Application Form(s)”	the application form(s) for use by the public who require(s) such Hong Kong Offer Shares to be issued in the applicant’s own name
“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of White Form eIPO at www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited

DEFINITIONS

“Xinjiang Guoli”	Xinjiang Guoli Minsheng Equity Investment Co., Ltd.* (新疆國力民生股權投資有限公司), a company established under the laws of the PRC with limited liability on 6 November 2000, which is owned as to 32.93% by Zhang Gaolu, 25.95% by Dai Yuhang, 25.15% by Lu Qiuwen and 15.97% by Sun Gang, which are Independent Third Parties, and is a substantial Shareholder
“ YELLOW Application Form(s)”	the application form(s) for use by the public who require(s) such Hong Kong Offer Shares to be deposited directly into CCASS

** for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.*

The terms “associate”, “close associate”, “connected person”, “connected transaction”, “controlling shareholder”, “core connected person”, “significant shareholder”, “subsidiary” and “substantial shareholder” have the meanings given to such terms under the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown in totals in certain tables may not be the arithmetic aggregation of the figures preceding them.

GLOSSARY

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

“academic year”	the time between the beginning of the first term of our Institute to the end of the third term, which typically runs from March to February (for example, the academic year of 2016 refers to the period from March 2016 to February 2017)
“AQF”	the Australian Qualifications Framework, which specifies the standards for educational qualifications in Australia
“award”	a qualification under levels 1 to 10 of the AQF
“CAANZ”	Chartered Accountants Australia and New Zealand
“course”	a program of study that will confer an award upon completion
“CPA Australia”	CPA Australia Ltd
“CRICOS”	the Commonwealth Register of Institutions and Courses for Overseas Students
“EFTSL”	equivalent full-time student load, which is a measurement of student enrolment at an institution calculated by dividing the total number of units taken by students in a given year by the average number of units a single full-time student should take in a year
“ESOS Act”	the Education Services for Overseas Students Act 2000
“HES Framework”	the Higher Education Standards Framework (Threshold Standards) 2015
“higher education”	studies in pursuit of a qualification under levels 5 to 10 of the AQF, including a diploma, advanced diploma, associate degree, bachelor degree, graduate certificate, graduate diploma, masters degree and doctoral degree
“JSJ list”	the list of recognised Australian universities and higher education providers issued by the Ministry of Education of China on the Jiaoyu Shewai Jianguan Xinxiwang (教育涉外監管信息網)
“LPAB”	the Legal Profession Admission Board, New South Wales
“MOOC”	massive open online course
“National Code”	The National Code of Practice Providers of Education and Training to Overseas Students 2018

GLOSSARY

“NEAS”	the National English Language Teaching Accreditation Scheme, Australia
“NUHEP”	non-university higher education provider
“OCSC”	the Office of the Civil Service Commission, Thailand
“pathway”	a program by which students who complete certain required studies at one institution may become eligible to transfer to another institution to continue their studies and receive credit for work completed
“SCDP”	the Student Career Development Program
“SSVF”	the Simplified Student Visa Framework administered by the Department of Home Affairs of Australia
“TAFE”	technical and further education provider
“TEQSA”	the Tertiary Education Quality and Standards Agency in Australia established under the TEQSA Act
“TEQSA Act”	the Tertiary Education Quality and Standards Agency Act 2001
“unit”	subject of study
“university”	a higher education provider within any of the following categories under the HES Framework: “Australian University”, “Australian University College”, “Australian University of Specialisation”, “Overseas University” and “Overseas University of Specialisation”
“university of specialisation”	a higher education provider within the category of “Australian University of Specialisation” or “Overseas University of Specialisation” under the HES Framework
“VETAB”	the New South Wales Vocational Education and Training Accreditation Board
“VR”	virtual reality

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These statements related to events that involve known and unknown risks, uncertainties and other factors, including those described in the section headed “Risk Factors” in this prospectus, which may cause our actual results, performance or achievements to be materially different from performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our business prospects, strategies, plans, objectives and goals;
- the business opportunities that we may pursue;
- the performance of global financial markets, including changes in our ability to access the capital markets and changes in the level of interest rates;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business; and
- certain statements in the sections headed “Business” and “Financial Information” in the prospectus with respect to trends in prices, volumes, operations, margins, overall market trends, risk management and exchange rates.

The words “aim,” “anticipate,” “believe,” “likely,” “could,” “should,” “ought to,” “estimate,” “expect,” “intend,” “going forward,” “may,” “plan,” “seek,” “will,” “would,” “assuming,” “project,” “potential,” “forecast,” “wish” and the negative of these terms and other similar expressions, as they related to us, are intended to identify a number of these forward-looking statements. These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of uncertainties and factors, including but not limited to:

- changes in domestic market and business conditions as well as industry trends related to our operations;
- changes in regulatory environments which are relevant to the business and operations of our Company, our customers and our suppliers;
- changes in our customers’ demands and business performance;
- changes in the competitive landscape of our industries;
- introduction and implementation of new or different laws in the areas we operate in;
- our ability to obtain adequate capital resources to fund future expansion plans;
- our ability to successfully implement our business plans, strategies, objectives and goals;
- our ability to protect our technologies, knowhow, patents, brand, trademarks or other intellectual property rights;

FORWARD-LOOKING STATEMENTS

- developments in technology and our ability to successfully keep up with technological advancement;
- our ability to attract and retain technical professionals and other qualified employees and key personnel;
- our ability to renew our TEQSA registration, CRICOS registration and the accreditations of our courses;
- changes in currency exchange rates; and
- the other risk factors discussed in this prospectus as well as other factors beyond our control.

Subject to the requirements of applicable laws, rules and regulations, we do not have any obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set forth in this section, as well as the risks and uncertainties discussed in the section headed “Risk Factors” in this prospectus.

RISK FACTORS

An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, prospects and results of operations. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment. The information given is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this prospectus.

RISKS RELATING TO OUR BUSINESS

Any decrease in the number of Chinese students studying abroad in Australia could negatively impact our business, profitability and financial position.

Students from China constituted more than 86% of our student headcount during the Track Record Period. The growth of international students in Australia, especially from China, has contributed to our operational and financial growth to date.

The international education market in Australia is susceptible to a number of risks that could negatively affect the number of students coming to and staying in Australia for study, including:

- Australia's economic, legal and political environment;
- the attractiveness of Australia as an education destination;
- competition from other English-speaking countries such as the US, the United Kingdom and Canada;
- the eligibility for Australian student visas and ease of access to apply for such visas; and
- the foreign exchange rate of Australian dollars and the cost of tuition and living in Australia.

There are also potential risks relating to China which may affect the number of students who may be interested in studying abroad in Australia, such as:

- changes to China's policy towards education or other related commitments from when China joined the World Trade Organisation;
- changes to China's policies towards allowing foreign currency exchange and currency transfers for education abroad; and
- restrictions on Chinese citizens for studying, working or travelling abroad, particularly to Australia.

To the extent that the international education industry is impacted by any of the circumstances discussed, student interest in our Institute could experience a significant decline, which could have a material adverse effect on our business, results of operations, prospects and financial condition.

RISK FACTORS

As a higher education provider in Australia with international students, we are subject to periodic registration requirements which are valid for a limited period, and we must undergo extensive reviews in accordance with the regulatory requirements to obtain registration renewals.

We are obligated to comply with various regulatory requirements, particularly those under the TEQSA Act, which governs the provision of higher education in Australia, and the ESOS Act, which governs the provision of education to international students in Australia. The TEQSA Act requires higher education providers to be registered with TEQSA, the primary government agency responsible for overseeing higher education providers. The ESOS Act requires higher education providers with international students studying in Australia on a student visa to be registered on CRICOS. Registration with TEQSA and registration on CRICOS are subject to periodic renewals, which may be granted with conditions in order to bring the higher education provider into full compliance with its regulations. Examples of such conditions include a requirement that the provider not work with a specific agent or a restriction on enrolment for certain courses. In 2015, we obtained our most recent registration renewals for TEQSA and CRICOS for a period of seven years and five years, respectively, which were the maximum allowed renewal periods that could be granted at that time for each registration. Both registration renewals were granted without conditions.

While we intend to use our best endeavours to maintain all requisite renewals and registrations on a timely basis, there is no assurance that we will be able to continue to obtain and maintain all required registrations in the future. The regulatory requirements are subject to interpretation by the relevant Australian authorities and may be subject to changes that are beyond our control and anticipation.

In particular, the HES Framework, the TEQSA regime's most recent updated standards were published in late 2015 and came into force on 1 January 2017. While we have devoted significant efforts to analyse the new requirements and taken steps to adjust our operations, it remains to be seen how the standards will be enforced and interpreted in practice and we may need to expend additional time and resources to further adapt our operations. Furthermore, regulatory requirements of TEQSA or other laws and regulations relating to education providers may be subject to change by future government legislation. We will need to apply for renewals in 2020 for CRICOS registration and in 2022 for TEQSA registration and approval of our applications will be subject to the regulations in force at that time.

Our business operations are subject to varying legislation, regulations and government policies particularly relating to education and immigration, and any changes to these laws or regulations or their application to us may materially adversely affect our business, financial condition, prospects and results of operations.

We conduct our business primarily in Australia and our operations in Australia are governed by Australian legislation and regulations. In addition to periodic registration requirements applicable to higher education providers, we are also subject to other legal and regulatory requirements and government policies relating to the provision of higher education, such as the ESOS Act and the National Code, the Higher Education Support Act 2003, the TEQSA Act and the HES Framework, and those relating to visa policies such as the SSVF.

RISK FACTORS

Changes to laws and regulations regarding education provision may directly affect our business, such as increasing reporting requirements. Other changes may have an indirect impact; for example, changes in policies regarding government funding for student tuition may affect student demand and the competitive landscape. There is no assurance that such changes will be to our benefit and if we are unable to adapt to such changes, our business and results of operations may be negatively impacted.

Changes to laws and regulations regarding immigration, particularly for students from China, could also impact our student numbers, since the majority of our students are international students from China. The SSVF sets out a framework which allows for certain categories of applicants to use a streamlined visa application process. The Department of Home Affairs of Australia currently categorises students from China as “low risk” within the SSVF, which allows Chinese students to use a more streamlined visa application process which does not require certain additional documentation. The ease of this process helps encourage interest and increase the number of Chinese students pursuing education in Australia. If the categorisation were to change to a higher risk level, or if the SSVF is replaced or altered such that students from China would undergo a more burdensome visa application process, or if any other immigration qualifications such as language requirements were to be changed or added, we may experience a decrease in student numbers which would adversely impact our business and results of operations.

The application process and time needed to receive accreditations and approvals from regulatory authorities and professional bodies may limit our ability to adapt or keep pace with changing market needs and technologies.

The success of our business depends on our ability to respond quickly to market needs and technological developments, such as changes in employer expectations, student interests or technological standards in academics. However, under the current regulatory framework, we are required to submit applications to TEQSA for accreditation of any new higher education courses or material changes to existing accredited courses. Our Bachelor of Laws course is also subject to accreditation requirements from the LPAB. The number of international students we may enrol is also subject to regulatory requirements. We currently have an approved capacity number of 1,500 for international students. Further growth in student enrolment beyond that would require a new application. Additionally, a number of issues relating to the operation of our Institute in general, such as our campus location, are also subject to review and approval by regulators. In our experience, the application and approval process may vary from a month to over a year. Due to such uncertainties in timing, we may be limited in our ability to adapt our courses and our Institute to new developments or take advantage of future growth prospects in a timely manner.

Increasingly, employers demand that their employees possess appropriate technological skills and also appropriate “soft” skills, such as communication, critical thinking and teamwork skills. These skill requirements can evolve rapidly in a changing economic and technological environment. Accordingly, If we are unable to adequately respond to changes in market requirements due to timing constraints related to course development and accreditation or otherwise, our ability to attract and retain students could be impaired and the rates at which our graduates obtain jobs involving their fields of study could suffer and our financial condition and results of operations could be materially adversely affected.

RISK FACTORS

Our alliance with PwC Australia to develop our Institute and other programs may not succeed.

In 2016, PwC Nominees became a substantial shareholder in our Company and PwC Australia entered into an Alliance Agreement with us. Under the Alliance Agreement, PwC Australia agreed to provide a variety of services to help expand our academic and non-academic programs and we received rights to co-brand our business, programs and services with PwC Australia. We believe that this alliance with PwC Australia, a leading professional services firm, has generated considerable additional interest in our Institute. However, if we are unable to adequately leverage that interest into our growth and expansion plans, or if we do not succeed in managing the alliance effectively, our operations, financial condition and results of operations may be materially affected.

Our use of the PwC Australia brand in marketing and promotional materials or any of the services, products or programs that we co-develop with PwC Australia, is subject to PwC Australia's approval in each new instance. If we fail to adequately present a service, product or program that satisfies PwC Australia's requirements for approval, or if for any other reason PwC Australia decides to deny approval for use of their brand name and marks, we may not be able to generate sufficient interest or demand for that service, product or program.

Our Alliance Agreement with PwC Australia has an initial term that lasts until 31 March 2023 with the possibility of renewal by mutual agreement. Whilst we are working well with PwC Australia to date, and PwC Nominees is a shareholder of TOP, if PwC Australia decides for any reason not to renew our alliance and we lose the right to continue to use PwC Australia's brand name and marks, our reputation may be diminished which may in turn negatively impact our business, prospects and results of operations.

Our business offerings which have been co-branded with PwC Australia are impacted by any developments affecting PwC Australia's reputation and brand. If any negative publicity were to occur surrounding PwC Australia's brand, even if untrue, our Institute, programs and business may also be adversely affected.

PwC Australia's participation is also subject to audit independence requirements, meaning the laws, regulations, professional standards, policies and guidelines relating to auditor independence, including PwC Australia's global and local independence policies and standards. We also have obligations under the Alliance Agreement in relation to meeting these requirements. PwC Australia may refuse to provide consents or services under the Alliance Agreement which, in its reasonable assessment, may infringe upon such audit independence requirements, and PwC Australia is entitled to terminate the Alliance Agreement in various circumstances, including if it reasonably determines that continued participation under the Alliance Agreement is not permitted under their audit independence requirements. Any of these events could have a material adverse impact on our business, financial condition and results of operations.

There is no guarantee that the leases for all our campus facilities will be renewed on favourable terms or at all, or that such leases will not be terminated early.

Our operations depend upon the availability of adequate campus space for our students and staff in a convenient location. We currently lease space for classrooms, administrative offices and student facilities at ATP, a heritage site that houses a variety of business, education and research institutions. We have entered into leases for our campus facilities under a number of lease and sublease contracts as

RISK FACTORS

further described in the section headed “Business — Facilities and Equipment” in this prospectus. All of the leases will expire in 2020 and, with the exception of one lease contract, we have the option to renew the leases for a further three years until 2023. There is no guarantee that such agreements will be renewed in 2020 or 2023 (as the case may be) on favourable terms or at all.

The lease and sublease contracts contain provisions, as is not uncommon in multi-tenanted premises, that the landlord can terminate the lease on at least six months’ notice for substantial repair or renovation of the building in which our campus facilities are located, subject to certain conditions which the landlord should meet. One of the landlords, Mirvac Projects (Retail and Commercial Pty Limited), has contacted us and all their other ATP tenants to commence a consultation process about a potential future refurbishment of part of the Locomotive Workshop building, including Bay 16 which comprises part of our leased premises. We currently lease 1,343.2 sq.m. of space in Bay 16, which is used for classrooms, student facilities, offices, a library and a cafe. In November 2017, the landlord informed us that it had submitted a development assessment application regarding renovation of the Locomotive Workshop to the Department of Planning and Environment of New South Wales but approval has not yet been granted. We have made arrangements with the landlord to remain in Bay 16 until the expiry of our lease in 2020 and to enter into new lease proposals for two new locations in ATP starting in 2019 and 2020, respectively. However, our ability to use the new leased spaces is dependent upon obtaining the relevant approvals for use of the new locations as our campus and there is no guarantee how long it will take to receive such approvals, if at all.

Our existing lease and sublease contracts also contain other provisions for early termination, such as a change in control provision. If our lease is terminated early for any reason, there is no guarantee that we will be able to find adequate additional replacement facilities in a timely manner, or at all, or that we will be able to obtain the necessary regulatory approvals for use of such replacement facilities as our campus in a timely manner, or at all. If we are unable to maintain our existing campus location or establish a new location on favourable terms, our financial conditions, prospects and business may be adversely affected.

RISKS RELATING TO HIGHER EDUCATION PROVIDERS IN AUSTRALIA

Results of operations may be materially adversely affected if student enrolment levels and tuition rates are not maintained or improved.

Our results of operations, growth strategy and profitability depend partially upon maintaining and, subsequently, increasing student enrolments in our Institute and maintaining or increasing tuition rates. For the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, tuition from our higher education undergraduate and postgraduate courses accounted for 82.6%, 93.6%, 88.3% and 90.7% of our total revenue, respectively.

Enrolment rates are affected by certain factors outside our control, such as our students’ financial, personal or family constraints, as well as by economic and social factors prevalent in Australia or the student’s home countries. Students who begin a course with us may choose to transfer to a different education provider later, or graduate a course early. In addition, student enrolment may be negatively affected by our reputation and any negative publicity related to us. Moreover, regulations regarding enrolment of international students require us to obtain approvals to increase our capacity with respect to the number of international students we may have.

RISK FACTORS

We determine our tuition rates primarily based on the demand for our educational courses, the cost of our operations, the tuition charged by our competitors, our pricing strategy to gain market share and general economic conditions in Australia. If we cannot maintain or increase student enrolment, or if we are unable to charge tuition rates that are both competitive and can cover fluctuations in our expenses, our business, financial condition, cash flows and results of operations may be materially adversely affected.

The higher education market is very competitive both domestically and globally.

The higher education market in Australia is highly competitive. As at July 2017, there were 166 public and private higher education providers registered with TEQSA, of which more than 25% were universities. We compete with these higher education providers across various factors, including course and curriculum offerings, tuition rate, location and premises, qualified academic staff and other key personnel.

Our competitors may offer similar or superior courses, with different pricing and service packages that may have greater appeal to some students than those offered at our Institute. In addition, we are a private, non-university higher education provider and we do not benefit from public government funding or enjoy status as an accredited university. As such, our competitors may have better established reputation, greater financial or other resources than us and may be able to devote greater resources than we can to the development and promotion of their schools.

Furthermore, we may face competition at an international level. During the Track Record Period, more than 92% of our EFTSL was attributable to international students, originating mostly from China. International students have a wide range of options. Changes in global economic, political and social factors relating to the education industry may affect the popularity of Australia in comparison with other countries as a destination for international higher education. For example, changes in foreign exchange rates, costs of living or student visa laws may make education in a different country more affordable or easily accessible than Australia. Moreover, as China develops its own domestic higher education system to become more sophisticated and diversified, Chinese students may be less inclined to travel overseas for education.

If any of the above situations occurs, we may be required to charge lower tuition or increase spending in response to such competition to retain or attract students or pursue new market opportunities. If we are unable to successfully compete for new students, maintain or increase our tuition rates, attract and retain competent academic staff or other key personnel, enhance the quality of our educational services or control competition costs, our business, financial condition, prospects and results of operations may be materially and adversely affected.

The effectiveness of marketing and advertising efforts may impact recruitment of new students.

In order to maintain and increase our revenue and margins, we must continue to develop our admissions procedures and attract new students in a cost-effective manner. We have increased our advertising and marketing expenses from AUD\$0.6 million for the year ended 30 June 2015 to AUD\$1.2 million for the year ended 30 June 2017. For the four months ended 31 October 2017, we recorded advertising and marketing expenses of AUD\$0.4 million.

RISK FACTORS

If we are unable to advertise and market our Institute and courses successfully, our ability to attract and enrol new students could be materially adversely affected and, consequently, our financial performance could suffer. We use marketing tools such as the Internet, radio, and print media advertising to promote our Institute and courses. We also organise education events to publicise our Institute such as campus tours and presentations. Additionally, we rely on the general reputation of our Institute, our alliance with PwC Australia, and referrals from current students, alumni and employees as a source of new student enrolment.

Among the factors that could prevent us from marketing and advertising our Institute and courses successfully are the failure of our marketing tools and strategies to appeal to prospective students, regulatory constraints on marketing, current student and employee dissatisfaction with our course offerings or results and diminished access to agents or other education institutions. The ability of our marketing team to maintain good relationships with agents is an important factor to our ability to attract students. Our marketing team is also responsible for managing agents and keeping them updated with our latest developments so that prospective students receive accurate and timely information about our Institute. If we fail to adequately manage our agents, we may experience difficulties in recruiting students. Additionally, we are limited in our ability to control our agents' actions and reputation. Negative publicity surrounding our agents may also have an adverse effect on our reputation and business.

In order to continue to grow our business, we may need to attract a larger percentage of students in existing markets and increase our addressable market. Any failure to accomplish this may have a material adverse effect on our future growth.

An increase in regulation of the activities of third-party agents in Australia may negatively impact student recruitment and profitability.

International students often utilise the services of third-party agents who act as education consultants for student applying to Australian higher education providers. These agents provide students with information and advice about higher education opportunities. They may also assist students with applying for visas, finding housing and other aspects of student life. We coordinate with these third party agents to ensure that they have accurate information about our Institute to provide to students and are knowledgeable about our Institute and our application process. As at 31 October 2017, we had approximately 100 authorised agents. We sign long-term written agreements with our agents setting out the terms of our relationship. For more information about our relationship with third-party agents, please see the section headed “Business — Top Education Institute — Marketing and Student Recruitment — Student Recruitment and Agents” in this prospectus.

Agents working in the higher education sector in Australia are subject to regulations, including but not limited to the ESOS Act and the National Code. We require our authorised agents to comply with those regulations. If regulations in Australia change to prohibit any of the activities by such agents or otherwise become more burdensome for such agents, some of our authorised agents may reduce or terminate their business. This, in turn, may create obstacles for students seeking help in applying to Australian higher education providers. International students may not learn about all of the opportunities available to them in Australia, such as our Institute, or may be discouraged by the lack of assistance in

RISK FACTORS

navigating the Australian higher education system. As such, if the activities of these agents are prohibited or otherwise burdened by changes in relevant regulations in Australia, our student recruitment efforts, and in turn, our profitability, may be negatively impacted.

Student interest in courses may change depending upon evolving expectations by employers and academics.

Our Institute's ability to attract students depends in part on the willingness of prospective employers to hire our students or for other higher education institutions to accept our students for further study upon graduation. Increasingly, employers demand that their employees possess certain technological skills and also appropriate "soft" skills, such as communication, critical thinking and teamwork skills. These skill requirements can evolve rapidly in a changing economic and technological environment. Accordingly, it is important that we offer award courses and non-award programs which are responsive to those evolving expectations. This requires time and resources to modify existing or create new award courses or non-award programs, and may require developing new curriculum and hiring teaching staff. There is no guarantee that we will be able to fully anticipate and effectively respond to such demands in a timely manner, or that we will attract as many students as we expect. If we are unable to adequately respond to changes in market requirements, our ability to attract and retain students could be impaired, and our results of operations, prospects and cash flows could be materially adversely affected.

Recruitment and retention of dedicated and capable academic staff and other institutional personnel could impact the quality of higher education provision.

We rely substantially on our academic staff for the provision of educational services to our students. Our academic staff are therefore critical to maintaining the quality of our courses and services and upholding our brand and reputation. As at 31 October 2017, we had a team of 58 academic staff. All of them are qualified at least one AQF level above the class they are teaching in accordance with regulatory requirements or have equivalent professional experience (for example, a master degree class must be taught by an instructor with a doctoral degree).

We must continue to attract qualified academic staff who have strong command of their respective subject areas and meet our high standards. We seek to hire academic staff who are capable of combining innovative classroom instruction with relevant and practical experience. Because the vast majority of our students are international students, we also seek academic staff with the ability to communicate and connect with a diverse student group. There are a limited number of candidates with the necessary expertise and language proficiency to teach our courses. Similarly, there is a competitive market in Australia for the pool of qualified personnel to fulfil senior governance and management positions, as these roles require extensive experience. There is no guarantee that we can recruit and retain such personnel in the future. As a result, we must provide competitive compensation and benefits packages to attract and retain qualified academic staff and other personnel. In addition, criteria such as commitment and dedication are difficult to ascertain during the recruitment process, particularly as we continue to expand and add academic staff and other personnel rapidly in order to meet rising student enrolment and maintain an acceptable staff-to-student ratio. We must also provide ongoing training to our academic staff so that they can stay abreast of changes in student demands, admissions and assessment test requirements, admissions standards and other key trends necessary to effectively teach their respective courses.

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We may not be able to hire and retain enough qualified academic staff and other personnel to keep pace with our anticipated growth while maintaining consistent teaching quality and the overall quality of our courses. If we are unable to recruit and retain sufficient qualified academic staff or other personnel, the quality of our courses may decrease or be perceived to decrease in our Institute, which may have a material and adverse effect on our reputation, business and operating results.

Difficulties in effectively managing growth may impact our ability to capitalise on new business opportunities.

We have experienced steady growth and expansion that have placed, and continue to place, pressure on our management and resources. For the years ended 30 June 2015, 2016 and 2017, the total EFTSL in our Institute was approximately 861, 949 and 1,036, respectively. We expect the student enrolment in both TOP Business and TOP Law to continue to increase. TOP Law is still relatively new and does not yet have an established track record or reputation. As such, we intend to continue to invest in expanding and improving both TOP Business and TOP Law. Additionally, we began offering corporate training programs in 2016 and we intend to continue developing these programs. We also intend to expand our physical presence in Australia and China. These expansion and development plans may result in higher demands on our management and academic staff, as well as our operational and technological resources.

Our planned expansion may also make it difficult for us to maintain the consistency of our teaching quality and our culture to ensure that our brand does not suffer as a result of any actual or perceived decline in our teaching or overall educational quality. To support our growth, we must improve our existing operational, administrative and technological systems and our financial and management controls, and recruit, train and retain additional qualified academic staff and management personnel as well as other administrative, sales and marketing personnel, particularly as we expand our offerings. If we further expand our student enrolment, we may require more campus space and there is no guarantee that we will be able to lease additional space in our current location, or renew our existing lease on similar terms or at all.

All of these efforts require substantial management time and skills as well as significant additional expenditures. If we cannot adequately update and strengthen our operational, administrative and technological systems and our financial and management controls to support our future operations, we may not be able to effectively and efficiently manage the growth of our operations, recruit and retain qualified personnel. Any failure to effectively and efficiently manage our expansion may materially and adversely affect our business, financial condition and results of operations. Moreover, even if we do expand the enrolment allowance as planned, we may be unable to attract and retain a sufficient portion of students in the future to support our enlarged scale of operations, which could adversely affect our business, prospects and results of operations.

There could be no assurance of the continuing service of key personnel.

Our future success depends upon the continuing services of our Directors, governance team and management team and in particular, Dr. Zhu, our founder, an executive Director, the chairman of our Board and our chief executive officer. If one or more of our Directors, governance, management or other key personnel are unable or unwilling to continue their employment with us, we may not be able to replace them in a timely manner or at all, and our business may be disrupted and our financial condition and results of operations may be materially and adversely affected. We believe that competition for

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experienced directors or governance or management personnel in the higher education sector is intense, and the pool of available, qualified candidates is very limited. We may not be able to retain the services of our Directors or governance, management or key personnel, or attract and retain high-quality personnel in the future. In addition, in the event we lose their services, or if any member of our Directors, or governance or management team or other key personnel joins a competitor or forms a competing company, we may lose students, key professionals and staff members. As a result, our business, financial condition, prospects and results of operations may be materially and adversely affected.

In addition, our Directors and members of our governance or management team may attract media coverage and publicity from time to time. To the extent such media coverage or publicity is negative in nature, whether or not the negative implications they contain are substantiated, our reputation may suffer.

Growth strategies may not be successfully executed.

Our growth strategies include expanding academic and non-academic education and training provision in Australia and in China. Please see the sections headed “Business — Business Strategies” and “Future Plans and Use of Proceeds” in this prospectus for further information. We may not succeed in executing our growth strategies due to a number of factors, including, without limitation, the following:

- we may not be able to attract sufficient students or corporate customers to our expanded award courses and non-award programs offerings;
- we may fail to identify new locations or joint partners with sufficient growth potential in which to establish new education courses;
- we may fail to identify suitable acquisition or investment targets that meet our criteria;
- we may fail to acquire or lease suitable sites to support our expansion plans;
- we may not be able to admit all qualified students who are interest in our Institute due to the capacity constraints of our facilities and staffing levels;
- we may not be able to obtain required regulatory approvals or professional accreditations in a timely manner or at all for our expanded operations;
- we may not be able to effectively market our courses or brand in new markets or promote ourselves in existing markets;
- we may not be able to continue to enhance our course materials or adapt our course materials to changing student needs and teaching methods;
- we may not be able to follow the expected timetable with respect to the development of new courses; and
- we may not fully achieve the benefits we expect from any expansion or growth plans.

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If we fail to successfully execute our growth strategies, we may not be able to maintain our growth rate and, as a result, our business and prospects may be materially and adversely affected.

Branding, reputation and market position may be adversely affected by difficulties in protecting intellectual property rights.

Our trademarks and trade name are important to develop and enhance our brand recognition. We have spent more than a decade building our “Top Education” brand by emphasising quality and consistency and by building trust among students, parents, staff, universities and the government educational authorities with whom we interact. Additionally, we also have intellectual property rights to our course development materials, which are our intangible assets. Unauthorised use of our trademarks, trade name or other intellectual property rights by third parties may damage our reputation and brand.

We submitted applications to register our Company’s logo:

- in Australia on 6 June 2017;
- in Hong Kong on 24 August 2017; and
- in China on 28 November 2017.

We had previously received an adverse report to our application from IP Australia, the Australian government agency that administers intellectual property rights and legislation. However, we engaged a trademark specialist to file a declaration in response. As at the Latest Practicable Date, the application of the trademark in Australia has been accepted and our logo would be advertised in the Australian official Journal of Trade Marks on 26 April 2018. If no opposition is filed, our trademark application will proceed to registration. As at the Latest Practicable Date, the applications of the trademark have not been approved in Hong Kong or China.

In respect of our trademark applications in Hong Kong, we have received a response from the Intellectual Property Department in Hong Kong that no citations have been raised against our application. However, approval for our application in Hong Kong is still pending as at the Latest Practicable Date. As at the Latest Practicable Date, we have not yet received a response from the Chinese Trade Mark Office in respect of our trademark application. We anticipate that the examination report from the Chinese Trade Mark Office in relation to our trademark application will not be issued before December 2018. The examination report may include citations against our logo application depending on how the Chinese Trade Mark Office examines the logo. We have not received any notice that our current use of our logo breaches any third parties’ intellectual property rights in Australia, Hong Kong and PRC as at the Latest Practicable Date.

There can be no assurance that the use of such logo by our Company will not infringe the intellectual property rights of any third party or otherwise violate any laws of Australia, Hong Kong or China. Any liability claim in relation to our use of such logo made or threatened to be made against us in the future, regardless of its merits, could result in costly litigation and strain our administrative and financial resources.

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As we have registered or applied for registration of intellectual property rights only in Australia, Hong Kong and China, we may be unable to effectively protect our intellectual property rights from third party infringement in other jurisdictions. As we seek to expand our award courses and non-award programs and establish our presence in China in the future, we may be subject to risks related to uncertainties of PRC intellectual property enforcement action by Chinese regulatory authorities. We may also need to resort to litigation and other legal proceedings to enforce our intellectual property rights. Any such action, litigation or other legal proceedings could result in substantial costs and diversion of our management's attention and resources and could disrupt our business.

In addition, as part of our business strategies, we plan to invest time, resources and expenses developing the content of certain of our educational materials, such as books and software, to enrich our offerings and meet students' needs. The measures we take to protect our trademarks and other intellectual property rights, which presently are based upon a combination of trademark and contract laws, may not be adequate to prevent unauthorised use by third parties. If we are unable to adequately protect our trademarks and other intellectual property rights, we may lose these rights, our brand name may be harmed, and our business may suffer materially.

Demand for certain courses rely on eligibility to obtain professional accreditation required for related employment.

Students may require or desire professional accreditations after graduation to obtain employment in their chosen fields particularly in accounting or law. Their success in obtaining such accreditations depends on several factors, including whether the institution and the course were approved by the relevant government or by a professional association. If one or more governmental authorities or professional associations refuses to accredit our courses or withdraws accreditation for our courses or subject our accreditations to onerous conditions, we will be unable to offer such courses, which may result in an adverse impact to our revenue and may also negatively impact our reputation and student interest in our Institute.

Negative publicity may adversely affect our reputation, business, growth and recruitment prospects.

Any negative publicity concerning our Institute or our staff, even if untrue, could adversely affect our reputation, business and growth prospects. Depending upon the extent of such negative publicity, our ability to obtain government or professional accreditations, registrations or approvals may be adversely impacted. Furthermore, we rely on word-of-mouth for publicity and interest in our Institute and programs, particularly overseas. Any such negative publicity may adversely impact our ability to attract students and staff, launch programs with other institutions or universities, or find corporate clients for our training programs. We cannot assure you that any such complaints or future negative publicity about us would not damage our brand image and have a material adverse effect on our business, results of operations, prospects and financial condition.

If a developed course ceases to be relevant before expected, we may need to incur impairment losses on our intangible assets, which may negatively affect our results of operation.

As at 30 June 2015, 2016 and 2017 and 31 October 2017, our intangible assets amounted to AUD\$2.0 million, AUD\$2.9 million, AUD\$3.6 million and AUD\$3.7 million, respectively, which accounted for 9.8%, 11.5%, 15.1% and 14.7% of our total assets, respectively. Our intangible assets consist of capitalised development expenditures on higher education registrations and applications and

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course materials created by our staff and by external consultants. We generally calculate amortisation for such capitalised expenditures over the commercial life of the underlying higher education course, which is usually set at seven years in line with the period of TEQSA course registration. If a course we have developed ceases to be relevant before the end of its expected commercial life, whether as a result of a lack of interest, outdatedness, significant changes to education requirements or otherwise, we may need to record impairment of the related intangible assets accordingly. We did not record any impairments of intangible assets during the Track Record Period. However, there can be no assurance that the courses we develop will be well-received by students in the future or that they will continue to be useful over the entire span of its expected life. Any impairments which may be made on our intangible assets will result in impairment losses and may affect our results of operations.

Accidents or injuries suffered by our students, our employees or other people at our Institute may adversely affect our reputation and subject us to liability.

There are inherent risks of accidents or injuries suffered by our students, our employees or others. We could be held liable in the event of personal injuries, fires or other accidents suffered by students, employees or other people that occur on our campus. In the event of personal injuries, disease, food poisoning, fires or other accidents suffered by students or other people, we could face claims alleging that we were negligent, that we provided inadequate supervision or that we were otherwise liable for the injuries. We have purchased public liability insurance with an insurance limit of AUD\$20.0 million, which is due for renewal on 31 January 2019. However, a successful liability claim against us due to injuries suffered by our students or other people on our campus could adversely affect our reputation and subject us to liability, thereby impacting our financial results. Even if unsuccessful, such a claim could cause unfavourable publicity that adversely affects our reputation, require substantial cost to defend and divert the time and attention of our management.

Natural disasters, epidemics, acts of war, terrorist attacks, acts of god and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, acts of war, terrorist attacks, acts of god and other events, which are beyond our control, may lead to global or regional economic instability, which may in turn materially and adversely affect our business, financial condition, prospects and results of operations. An outbreak or epidemic of disease could cause general consumption demand to decline. In addition, political tensions or conflicts and acts of war or the potential for war, particularly affecting Australia and China, could also cause damage and disruption to our potential students and our business, which could materially and adversely affect our business, financial condition, prospects and results of operations.

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RISKS RELATING TO THE OFFERING AND THE SHARES

There has been no prior public market in Hong Kong for our Shares and their liquidity and market price may be volatile.

Prior to the Global Offering, no public market existed for our Shares. The initial Offer Price to the public for our Shares is the result of negotiations between us and the Joint Global Coordinators on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for our Shares following the Global Offering. There is no assurance that an active trading market for our Shares will develop following the Global Offering or, if it does develop, that it will be sustained or that the market price for our Shares will not decline below the initial Offer Price.

Additionally, factors such as fluctuations in our sales, earning, cash flows, new investments, acquisitions or alliances, changes in key personnel or actions taken by competitors could cause the market price of our Shares or trading volume of our Shares to change substantially and unexpectedly. In addition, stock prices have been subject to significant volatility in recent years. Such volatility has not always been directly related to the performance or condition of the specific companies whose shares are traded. Such volatility, as well as general economic conditions, may adversely affect the prices of our Shares and, as a result, investors in our Shares may incur substantial losses.

The interests of our controlling shareholders may differ from those of our other Shareholders, and such Shareholders may be disadvantaged by the actions of our Controlling Shareholders.

Upon completion of the Offering, our Controlling Shareholders Group will control the exercise of approximately 33.95% of the voting rights in the general meeting of our Company (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme). In light of the foregoing, our Controlling Shareholders could exercise significant influence in determining the outcome of any corporate transaction or other matters submitted to our Shareholders for approval, including mergers, consolidations and the sale of all, or substantially all, of our assets, election of directors and other significant corporate actions.

The interests of our controlling shareholders may differ from the interests of our other Shareholders. If the interests of our controlling shareholders conflict with the interests of other Shareholders, or if our controlling shareholders choose to cause our business to pursue strategic objectives that conflict with the interests of our other Shareholders, those Shareholders could be disadvantaged by the actions of our controlling shareholders.

Shareholders' interests in the share capital of our Company may be diluted in the future.

We adopted the Pre-IPO Performance Rights Plan on 8 June 2017 and as at the Latest Practicable Date, we had granted 60,160 performance rights under that plan. Our Company has on 20 April 2018 granted an additional 11,481 performance rights under the Pre-IPO Performance Rights Plan prior to the Listing to certain members of the Council and certain Directors. The maximum aggregate number of Shares underlying all grants of performance rights pursuant to the Pre-IPO Performance Rights Plan is 143,282,000 Shares assuming the total of 71,641 performance rights are fully vested after the completion of the share split could incur a dilution of approximately 5.4% of the shareholding of the

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Shareholders immediately following the Listing (without taking into account any Shares to be issued upon the exercise of the Over-allotment Option and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme). Please see the section headed “Appendix IV — E. Pre-IPO Performance Rights Plan” in this prospectus.

In addition, we have conditionally adopted the Share Option Scheme on 18 April 2018. Any vesting of the performance rights under the Pre-IPO Performance Rights Plan and any exercise of the options to be granted under the Share Option Scheme in the future will result in a dilution in the shareholding of our Shareholders in our Company and may result in a dilution in the earnings per Share.

We may in the future expand our capabilities and business through acquisition, joint venture and strategic partnership with parties who can add value to our business. We may require additional equity funding after the Global Offering and the equity interest of our Shareholders will be diluted should our Company issue new Shares (subject to applicable laws, regulations and the Listing Rules) to finance future acquisitions, joint ventures and strategic partnerships and alliances.

Investments in our Company may be subject to restrictions under Australian foreign investment laws.

The Australian Foreign Investment Review Board (“**FIRB**”) is responsible for advising the Treasurer of Australia on overseas investment in Australian businesses and assets pursuant to the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Foreign Acquisitions and Takeovers Fees Imposition Act 2015 and the Foreign Acquisitions and Takeovers Regulation 2015.

Whether FIRB approval is required for a foreign person to acquire an interest in our Company is determined on a case by case basis. It is the responsibility of the investor to determine if it may require FIRB approval before acquiring Shares under the Global Offering. It is the responsibility of the person making the investment to satisfy himself, herself or itself (as the case may be) as to the full observance of the Foreign Acquisitions and Takeovers Act 1975 (Cth) and the Australian Federal Government’s Foreign Investment Policy published by FIRB in relation to investments in Australian companies or businesses, including the obtaining of any governmental or other consents which may be required, and compliance with other necessary approval and registration requirements and other formalities. Independent legal advice should be sought.

A “foreign person” should not be required to obtain prior approval by the Treasurer of Australia to acquire our Shares as part of the Global Offering unless they are a “foreign government investor”. For non-land business investments in Australia, a “foreign person” from a Free Trade Agreement partner country is required to obtain prior approval of the Treasurer of Australia to acquire 20% or more of an non-sensitive entity or business if the value of that entity or business exceeds AUD\$1,134 million. A “foreign person” from a country that is not a Free Trade Agreement partner country is required to obtain prior approval of the Treasurer of Australia to acquire 10% or more of an entity or business if the value of that entity or business exceeds AUD\$261 million. However, a “foreign government investor” must obtain the prior approval of the Treasurer of Australia before acquiring 20% or more of a business in Australia, regardless of the value of that entity or its assets. For more information, see the section headed “Regulatory Overview — Regulations in Relation to Foreign Investment in Australia” in this prospectus.

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We cannot guarantee the accuracy of facts and other statistics with respect to our industry and the global economy contained in this listing document.

We have derived certain facts and other statistics in this prospectus relating to the higher education industry and the global economy from the Ipsos Report and other third-party sources that we believe to be reliable. While we believe that such facts and statistics are appropriate sources for such information, and our Directors have taken reasonable care in the reproduction of the information and have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading, they have not been prepared or independently verified by us, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters, any of our or their respective directors, officers, employees, agents, affiliates or advisors. Therefore, we make no representation as to the accuracy or completeness of such facts and statistics, which may not be consistent with other information compiled within or outside Australia or available from other sources. Such facts and other statistics include the facts and statistics contained in this section, the sections headed “Summary”, “Industry Overview”, “Business” and “Financial Information” in this prospectus. Due to possibly flawed or ineffective sampling or discrepancies between published information and market practices or other reasons, such facts and statistics may be inaccurate or incomplete or may not be comparable to official statistics and you should not place undue reliance on them. Accordingly, you should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains certain statements that are “forward-looking” and indicated by the use of forward-looking terminology such as “aim”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “going forward”, “intend”, “ought to”, “may”, “plan”, “potential”, “project”, “seek”, “should”, “will” or “would” or similar expressions. You are cautioned that reliance on any forward-looking statement involves risk and uncertainties, any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. The risks and uncertainties in this regard consist of those identified in the risk factors discussed above. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by us that the plans and objectives will be achieved, and you should not place undue reliance on such statements.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

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

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

- (i) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorised representatives of our Company are Dr. Zhu, the chairman of our Board, the chief executive officer and our executive Director, and one of our joint company secretaries, Ms. Yuk Yin Ivy Chow who is ordinarily resident in Hong Kong;
- (ii) any meeting between the Stock Exchange and our Directors will be arranged through the authorised representatives or our compliance adviser or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorised representatives and our compliance adviser;
- (iii) each of our authorised representatives will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email;
- (iv) each of our authorised representatives has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters. To enhance the communication between the Stock Exchange, the authorised representatives and the Directors, we have implemented a policy that (a) each Director will provide their respective office phone numbers, mobile phone numbers, facsimile numbers and email addresses to the authorised representatives and (b) all the Directors and authorised representatives will provide, if available, their office phone numbers, mobile phone numbers, facsimile numbers and email addresses to the Stock Exchange. In the event that a Director expects to travel or is out of office, he/she will provide the phone number of the place of his/her accommodation to our authorised representatives;

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- (v) the Directors, who are not ordinarily resident in Hong Kong, have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and are able to meet with the Stock Exchange within a reasonable period of time;
- (vi) we have, in compliance with Rule 3A.19 of the Listing Rules, appointed China Galaxy International Securities (Hong Kong) Co., Limited as our compliance adviser who will, among other things, in addition to the two authorised representatives of our Company, act as the additional channel of communication with the Stock Exchange for the period commencing from the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. China Galaxy International Securities (Hong Kong) Co., Limited will have full access at all times to the authorised representatives of our Company and the Directors; and
- (vii) we will also retain legal advisers to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the Listing.

APPOINTMENT OF JOINT COMPANY SECRETARIES

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

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

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

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

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

- (i) We engage Ms. Chow as a joint company secretary of our Company for a minimum period of three years commencing from the Listing Date. During such period of engagement, Ms. Chow will work closely with, and provide assistance to, Ms. Ying in the discharge of her duties as a company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules;
- (ii) the waiver will be revoked immediately if, save and except for health reasons, Ms. Chow ceases to provide assistance to Ms. Ying as the joint company secretary for the three-year period after Listing (in which case we will appoint a new joint company secretary who satisfies the relevant requirements under the Listing Rules and re-apply for a new waiver);
- (iii) Ms. Ying will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the Listing Date;
- (iv) our Company will further ensure that Ms. Ying has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange;
- (v) before the end of the initial three-year period, the qualifications and experience of Ms. Ying and the need for on-going assistance of Ms. Chow will be further evaluated by our Company; and
- (vi) our Company will liaise with the Stock Exchange to enable it to assess whether Ms. Ying, having benefited from the assistance of Ms. Chow for three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of note 2 of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

For further details about the biographies of Ms. Ying and Ms. Chow, please refer to the section headed “Directors and Senior Management” in this prospectus.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

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

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

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

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

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

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

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

- (a) the material terms of their Pre-IPO investment, including the Pre-Listing Conversion, which are disclosed in the section headed “History, Reorganisation and Company Structure — Our Pre-IPO Investments” in this prospectus, provide sufficient information to enable potential investors to make a properly informed assessment of our Company;
- (b) the Pre-Listing Conversion will automatically occur five Business Days prior to the issue of this prospectus and does not require any additional consideration to be paid by any of the parties concerned; and
- (c) the identity of the ultimate shareholders of TD Seymour (including Mr. Thomas Richard Seymour) and the respective percentage of interests of TD Seymour and Mr. Kai Zhang in our Company will not be changed by the Pre-Listing Conversion (other than any dilution effect arising from the Global Offering) nor would they benefit from the Pre-Listing Conversion by compromising the interests of potential investors in our Company.

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

- (i) the material terms of their Pre-IPO investment, including the Pre-Listing Conversion, which are disclosed in the section headed “History, Reorganisation and Company Structure — Our Pre-IPO Investments” in this prospectus, provide sufficient information to enable potential investors to make a properly informed assessment of our Company;
- (ii) the Pre-Listing Conversion does not require any additional consideration to be paid by any of the parties concerned; and
- (iii) the number and percentage of Shares to be transferred under the Pre-Listing Conversion are disclosed in this prospectus, and the Pre-Listing Conversion will occur before the date of this prospectus.

CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute continuing connected transactions for our Company under the Listing Rules following completion of the Global Offering. We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements set out in Chapter 14A of the Listing Rules for certain continuing connected transactions. For details of such continuing connected transactions and the waiver, please refer to the section headed “Connected Transactions” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to our Company. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

INFORMATION ON THE HONG KONG PUBLIC OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Hong Kong Public Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorised by us, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, affiliates or advisors or any other party involved in the Global Offering. Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information in this prospectus is correct as at any subsequent time.

UNDERWRITING

The Global Offering comprises the Hong Kong Public Offering of initially 62,840,000 Hong Kong Offer Shares and the International Offering of initially 565,560,000 International Offer Shares.

The application for listing of our Shares is sponsored by the Sole Sponsor. The Global Offering is managed by the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and is subject to our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price.

If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us on or before Wednesday, 9 May 2018, unless otherwise announced, the Global Offering will not proceed and will lapse. Further information about the Underwriters and the Underwriting Agreements is set out in the section headed "Underwriting" in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

RESTRICTIONS ON OFFER AND SALE OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or deemed by his acquisition of the Hong Kong Offer Shares to, confirm that he is aware of the restrictions on offer and sale of the Offer Shares described in this prospectus, where applicable.

No action has been taken to permit a public offer of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstance in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to any registration made with or authorisation by the relevant securities regulatory authorities or an exemption from applicable securities laws.

APPLICATION FOR LISTING OF THE SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, our Shares in issue prior to the Global Offering and to be issued pursuant to the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option), any Shares which may fall to be allotted and issued upon the vesting of the Performance Rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme.

No part of our Shares is listed on or dealt in any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposal of, and dealing in our Shares (or exercising rights attached to them). None of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, affiliates or advisors or any other party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, our Shares.

STAMP DUTY

Dealings in our Shares registered on our Hong Kong branch register of members will be subject to Hong Kong stamp duty. If you are unsure about the taxation implications of subscribing for the Offer Shares, or about purchasing, holding or disposing of or dealing in them, you should consult an expert.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

PROCEDURES FOR APPLICATION FOR THE HONG KONG OFFER SHARES

The procedures for applying for the Hong Kong Offer Shares are set forth in the section headed “How to Apply for the Hong Kong Offer Shares” in this prospectus and on the relevant Application Forms.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set forth in the section headed “Structure of the Global Offering” in this prospectus.

OVER-ALLOTMENT AND STABILISATION

Details of the arrangements relating to the Over-allotment Option and stabilisation are set out in the sections headed “Structure of the Global Offering — The Over-allotment Option” and “Structure of the Global Offering — Stabilising Action” in this prospectus.

REGISTER OF MEMBERS

We will maintain our principal register of members at our head office in Australia and our Company’s branch register of members will be maintained by its Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. All Shares to be issued pursuant to the Global Offering (including any Shares to be issued upon the exercise of the Over-allotment Option), any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme will be registered on our Company’s branch register of members maintained in Hong Kong. Only Shares registered on our Company’s branch register of members maintained in Hong Kong may be traded on the Stock Exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, our Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Shares on the Stock Exchange or on any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangements as such arrangements may affect their rights and interests. All necessary arrangements have been made enabling our Shares to be admitted into CCASS.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. If there is any inconsistency between the names of any of the entities mentioned in this prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

ROUNDING

In this prospectus, where information is presented in thousands or millions, amounts of less than one thousand or one million, as the case may be, have been rounded to the nearest hundred, or hundred thousand, respectively. Amounts presented as percentages have, in certain cases, been rounded to the nearest tenth of a percent. Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding. Accordingly, the total of each column of figures as presented may not be equal to the sum of the individual items.

EXCHANGE RATE CONVERSION

Unless otherwise specified, amounts denominated in AUD\$ and US\$ have been translated, for the purpose of illustration only, into Hong Kong dollars, and vice versa, in this prospectus at the following rates:

AUD\$0.161 : HK\$1.00

US\$0.127 : HK\$1.00

No representation is made that any amounts in AUD\$, US\$ or Hong Kong dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
Executive Directors		
Dr. Minshen Zhu 祝敏申	39 Broome Street Maroubra, NSW 2035 Australia	Australian
Ms. Sumeng Cao 曹蘇萌	Unit 3813 101 Bathurst Street Sydney, NSW 2000 Australia	Australian
Non-executive Directors		
Mr. Thomas Richard Seymour	30 Milne Street Clayfield, QLD 4011 Australia	Australian
Mr. Amen Kwai Ping Lee 李桂平	82 Neerim Road Castle Cove, NSW 2069 Australia	Australian
Mr. Jing Li 李晶	Unit 1-801, 5th Floor Hong Yan Shan Shui Wen Yuan Chaoyang District Beijing China	Chinese
Alternate Director		
Mr. Kai Zhang 張愷	3 Little Street Mosman, NSW 2088 Australia	Australian

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
Independent non-executive Directors		
Professor Brian James Stoddart	19 Mitchell Street Kyneton, VIC 3444 Australia	Australian
Professor Steven Schwartz	Unit 802 45 Bowman Street Pymont, NSW 2009 Australia	Australian
Mr. Tianye Wang 王天也	Flat D, 19/F, Tower 1A The Wings II 12 Tong Chun Street Tseung Kwan O New Territories Hong Kong	Chinese
Professor Weiping Wang 王衛平	Flat 101 No. 63, 631 Lane Gumei West Road Minhang District Shanghai China	Chinese

For further information regarding our Directors, please refer to the section headed “Directors and Senior Management” in this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

<u>Party</u>	<u>Name and Address</u>
Sole Sponsor	China Galaxy International Securities (Hong Kong) Co., Limited 20th Floor, Wing On Centre 111 Connaught Road Central Sheung Wan Hong Kong
Joint Global Coordinators	China Galaxy International Securities (Hong Kong) Co., Limited 20th Floor, Wing On Centre 111 Connaught Road Central Sheung Wan Hong Kong CCB International Capital Limited 12/F., CCB Tower 3 Connaught Road Central Central Hong Kong Essence International Securities (Hong Kong) Limited 39/F, One Exchange Square Central Hong Kong AMTD Global Markets Limited 23/F & 25/F Nexxus Building No. 41 Connaught Road Central Central Hong Kong
Joint Bookrunners and Joint Lead Managers	China Galaxy International Securities (Hong Kong) Co., Limited 20th Floor, Wing On Centre 111 Connaught Road Central Sheung Wan Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

CCB International Capital Limited

12/F., CCB Tower
3 Connaught Road Central
Central
Hong Kong

Essence International Securities (Hong Kong) Limited

39/F, One Exchange Square
Central
Hong Kong

AMTD Global Markets Limited

23/F & 25/F Nexxus Building
No. 41 Connaught Road Central
Central
Hong Kong

First Capital Securities Limited

Unit 4512, 45/F, The Center
99 Queen's Road Central
Central
Hong Kong

Ever-Long Securities Company Limited

18/F, Dah Sing Life Building
99–105 Des Voeux Road Central
Hong Kong

China Everbright Securities (HK) Limited

24/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Lego Securities Limited

Room 804, 8/F
Jubilee Centre
46 Gloucester Road
Wanchai
Hong Kong

Co-lead Managers

Long Asia Securities Limited

Unit A, 23/F, The Wellington
198 Wellington Street
Sheung Wan
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Ballas Capital Limited

Unit 1802, 18/F
1 Duddell Street
Central
Hong Kong

China Goldjoy Securities Limited

Unit 1703–06, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Huabang Securities Limited

Unit 2901–2, 29/F
Enterprise Square Two
3 Sheung Yuet Road
Kowloon Bay, Kowloon
Hong Kong

Legal advisers to the Company

As to Hong Kong law:

Kwok Yih & Chan

Suites 2103–05, 21st Floor
9 Queen's Road Central
Hong Kong

As to Australian law:

Deutsch Miller

Level 9, 53 Martin Place
Sydney, New South Wales 2000
Australia

**Legal advisers to the Sole Sponsor and
Underwriters**

As to Hong Kong law:

Norton Rose Fulbright Hong Kong

38/F, Jardine House
1 Connaught Place
Central, Hong Kong

As to Australian law:

Norton Rose Fulbright Australia

Level 18, Grosvenor Place
225 George Street
Sydney, New South Wales 2000
Australia

Auditor and reporting accountants

Ernst & Young

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Receiving bank

Bank of China (Hong Kong) Limited

1 Garden Road
Hong Kong

CORPORATE INFORMATION

Registered office, principal place of business and head office in Australia	Suite 1, Biomedical Building 1 Central Avenue Australian Technology Park Eveleigh, New South Wales 2015 Sydney Australia
Company's website	www.top.edu.au <i>(Information contained in this website does not form part of this prospectus.)</i>
Place of business in Hong Kong registered under Part 16 of the Companies Ordinance	Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Joint company secretaries	Min Ying (<i>CPA</i>) 11/21 Edgeworth David Ave Hornsby NSW 2077 Australia Yuk Yin Ivy Chow (<i>FCIS (ICSA) FCS (HKICS)</i>) Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives	Minshen Zhu 33 Broome Street Maroubra, NSW 2035 Australia Yuk Yin Ivy Chow (<i>FCIS (ICSA) FCS (HKICS)</i>) Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Audit Committee	Tianye Wang (<i>Chairman</i>) Brian James Stoddart Steven Schwartz Weiping Wang
Remuneration Committee	Steven Schwartz (<i>Chairman</i>) Tianye Wang Amen Kwai Ping Lee
Nomination Committee	Brian James Stoddart (<i>Chairman</i>) Minshen Zhu Weiping Wang

CORPORATE INFORMATION

Hong Kong Share Registrar

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

Australia Principal Share Registrar

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

Compliance Adviser

China Galaxy International Securities (Hong Kong)
Co., Limited
20th Floor, Wing On Centre
111 Connaught Road Central
Sheung Wan
Hong Kong

Principal banks

Bank of China (Australia) Limited
39–41 York Street
Sydney 2000
Australia

Australia and New Zealand Banking Group Limited
Pacific Square Shop 2
707–745 Anzac Parade
Maroubra Junction 2035
Sydney
Australia

INDUSTRY OVERVIEW

Certain information contained in this section and elsewhere in this prospectus has been derived from various public sources or extracted from the Ipsos Report, a commissioned market research report prepared by Ipsos for the purposes of this prospectus. We believe that the sources of the information in this section are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or that any fact has been omitted that would render such information misleading. In addition, our Directors believe there is no adverse change in market information since the date of the Ipsos Report which may qualify, contradict or have an impact on such information. However, such information has not been independently verified by us or any of our Directors, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers or the Underwriters and no representation is given as to its accuracy. Such information may not be consistent with the information compiled by other sources.

OVERVIEW OF HIGHER EDUCATION INDUSTRY IN AUSTRALIA

Background of Australian Education System

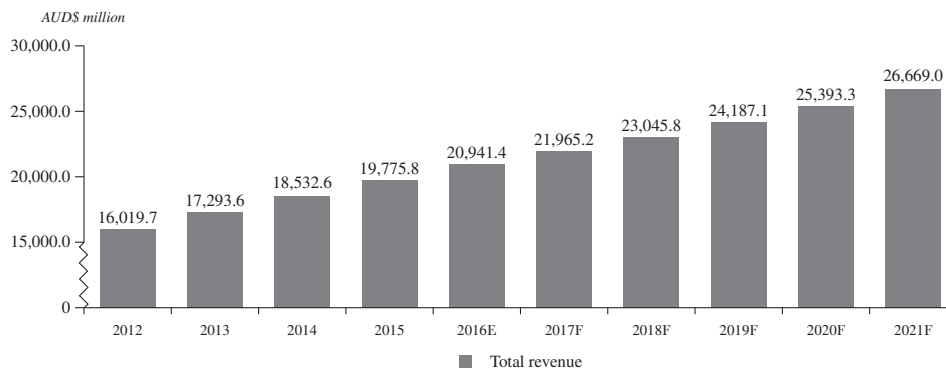
Tertiary education in Australia refers to all formal post-secondary education, which includes two components, higher education and vocational education and training. Higher education focuses on academics and enables graduates to undertake professional works and academic research. Vocational training focuses on practical trade skills. Higher education providers in Australia refer to all education institutions regulated by TEQSA under the TEQSA Act. According to Ipsos, there are four types of higher education providers: universities, for-profit non-university higher education providers (“**NUHEPs**”), not-for-profit NUHEPs, and technical and further education providers (“**TAFEs**”) as regulated by TEQSA. Our Company is a for-profit NUHEP and, as at the Latest Practicable Date, we were only engaged in higher education provision and did not offer vocational training. As at 31 December 2015, there were 43 universities, 12 TAFEs, 59 for-profit NUHEPs and 53 Not-For-Profit NUHEPs, according to the 2017 TEQSA Statistics Report.

Higher Education in Australia

The higher education industry in Australia has seen growth in revenue due to an increase in student enrolments and rising tuition fees, particularly for international students. Additionally, the Australian government has taken steps to expand higher education participation among domestic students, aiming to have at least 40% of 25 to 34 years old Australians hold bachelor’s degrees or higher by 2025.

According to Ipsos, the total revenue of the higher education industry in Australia grew from AUD\$16,019.7 million in 2012 to AUD\$20,941.4 million in 2016 at a CAGR of 6.9%. Ipsos estimates that the total revenue of the higher education industry in Australia will continue to increase from AUD\$21,965.2 million in 2017 to AUD\$26,669.0 million in 2021 at a CAGR of 5.0%. The following chart shows the historical and projected changes in total revenue of the higher education industry in Australia from 2012 to 2021:

Total revenue of the higher education industry in Australia from 2012 to 2021



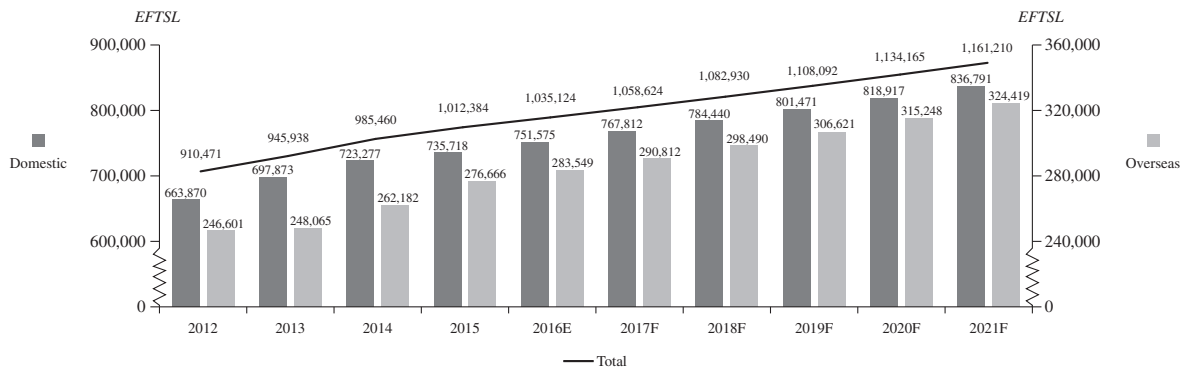
Source: Ipsos Report

INDUSTRY OVERVIEW

The amount of higher education courses being taken is measured in terms of EFTSL. The total amount of EFTSL for an institution can serve as a way of estimating the number of equivalent full-time students at that institution. The total number of higher education EFTSL in Australia increased from 910,471 in 2012 to 1,035,124 in 2016 at a CAGR of 3.3%. Ipsos estimates that the total number of higher education EFTSL in Australia will continue to increase from 1,058,624 in 2017 to 1,161,210 in 2021 at a CAGR of 2.3%.

The following chart shows the historical and projected changes in total number of higher education EFTSL in Australia from 2012 to 2021:

**Total number of higher education EFTSL
in Australia from 2012 to 2021**



Source: Ipsos Report

Private Higher Education in Australia

The higher education industry is growing in Australia because of increasing demand, which provides a key driver for the continual growth and future development of private higher education providers. Most universities in Australia are public and private higher education providers in Australia are primarily for-profit and not-for-profit NUHEPs.

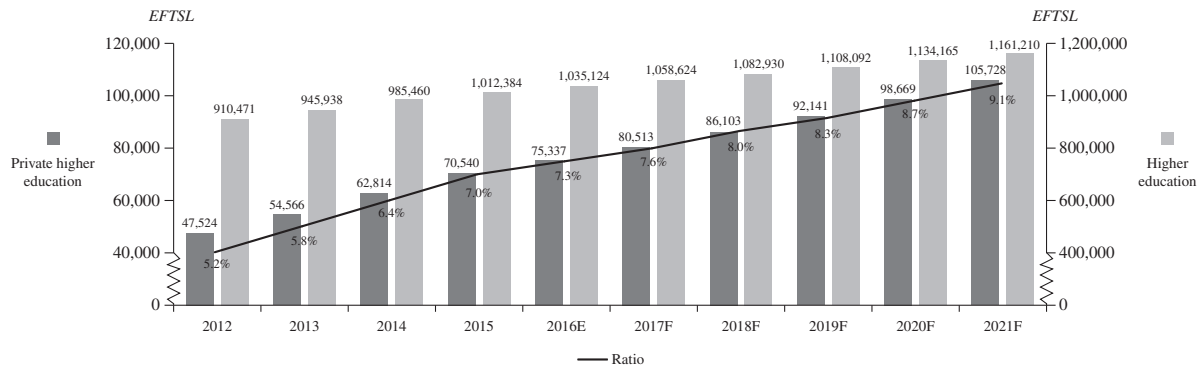
According to Ipsos, public universities dominate the higher education market in Australia in terms of EFTSL, enjoying approximately 95% of the market among domestic students and approximately 88% of the market among international students in 2016. However, private higher education providers generally compete in distinct parts of the market separate from Australian universities. Universities typically cover several different fields of education, whereas private higher education providers tend to be more niche-oriented and concentrated in selected fields, in particular, business, creative and applied arts, health and wellbeing, theology and information technology. According to Ipsos, the total EFTSL for private higher education providers increased at a CAGR of 14.1% from 2012 to 2015, which was significantly higher than that for public universities, which increased at a CAGR of only 3.0% during the same period.

Although private higher education providers only accounted for a minority share of the total higher education EFTSL in Australia, their percentage share has grown steadily. According to Ipsos, the share of private higher education providers in terms of EFTSL increased from 5.2% in 2012 to 7.3% in 2016 and is expected to reach 9.1% in 2021. This is primarily due to greater expected demand for private

INDUSTRY OVERVIEW

higher education, as private higher education providers offer more niche and innovative offerings, while universities are expected to experience saturation. The following chart shows the historical and projected changes in the ratio of private higher education to total higher education in terms of EFTSL in Australia from 2012 to 2021:

**Ratio of private higher education EFTSL to total higher education
EFTSL in Australia from 2012 to 2021**

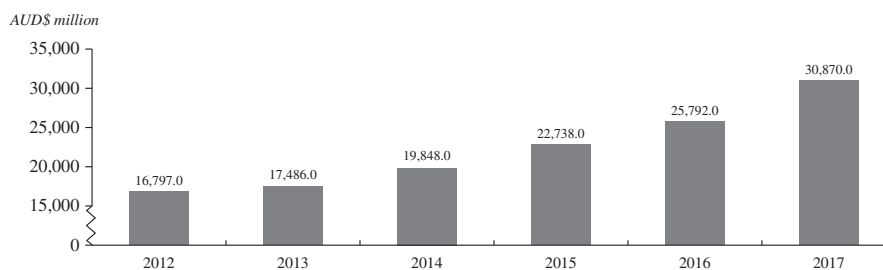


Source: Ipsos Report

Export of Education-related Travel Services

Provision of education services to students from overseas is a major export industry in Australia. Education-related services export income comprises education-related personal travel services expenses (such as tuition fees and living expenses), other education services income (such as education consulting services), and royalties on education services. Education-related services export has contributed significantly to the national economy of Australia and, according to Ipsos, education-related services export was the third largest export industry in Australia in terms of total export value and the largest service export industry in 2016. Education-related services export has been growing over the years and education-related personal travel services exports accounted for a major proportion. Education-related personal travel services exports in Australia grew at a CAGR of 12.9% from AUD\$16.8 billion in 2012 to AUD\$30.9 billion in 2017. The following chart shows the historical changes in education-related personal travel services exports in Australia from 2012 to 2017:

**Education-related personal travel services exports in Australia from 2012 to 2017
(compounded revision of calculation methodology in 2017)**

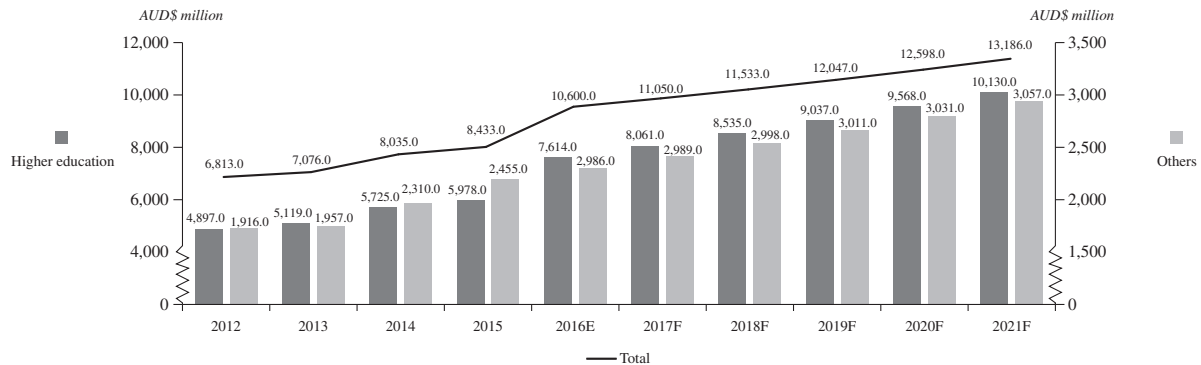


Source: Ipsos Report

INDUSTRY OVERVIEW

Tuition income generated from international students in Australia has also increased, from AUD\$6,813.0 million in 2012 to AUD\$10,600.0 million in 2016, growing at a CAGR of 11.7%. Higher education also accounts for the majority of such onshore tuition income and increased from AUD\$4,897.0 million to AUD\$7,614.0 million at a CAGR of 11.7%. Onshore tuition income from international students is expected to continue to increase at a CAGR of 4.5% between 2017 and 2021. The following table show the onshore tuition income from international students in Australia from 2012 to 2021:

Onshore tuition income from international students from 2012 to 2021



Source: Ipsos Report

According to Ipsos, the percentage of higher education students in Australia who are international students increased from 22.9% in 2012 to 25.0% in 2015, indicating a strong growing international education sector in Australia. Australia is a popular education destination for international students. According to Ipsos, in 2017, Australia ranked first in terms of the most welcoming and safest countries to international students, and third in terms of countries which offer the best quality of education to international students, based on international survey results. In order to further support the growth of international education export, the Australian government introduced a ten-year plan in 2016 called the “National Strategy for International Education 2025” and it is estimated that the number of student enrolment can potentially increase from nearly 500,000 in 2015 to as high as 990,000 by 2025.

The intended goals of this national strategy have major implications for NUHEPs, including:

- increasing the student recruitment base, as both domestic students and international students will gain greater accessibility to higher education (for example, increased government loan support for domestic students and streamlined visa applications for international students);
- improving the reputation and positioning of Australian higher education providers, particularly through increased international marketing of Australian higher education by the government and engagement of alumni networks; and
- enhancing overall student learning experience, by encouraging the adoption of new education technology, collaborations with domestic and international institutions to offer cross-border learning opportunities.

CHINESE INTERNATIONAL STUDENTS IN AUSTRALIA

China constitutes the largest source of international students in Australia. According to Ipsos, the number of Chinese students in Australia grew from approximately 117,000 in 2012 to approximately 176,000 in 2016 at a CAGR of 10.7%. As at November 2017, there were 792,422 international enrolment in Australia with Chinese students accounting for 29.0%. China is expected to remain the

INDUSTRY OVERVIEW

largest source of international students in Australia through to 2025, with the number of Chinese students studying at all education levels in Australia expected to grow from approximately 185,000 in 2017 to approximately 218,000 by 2021, at a CAGR of 4.2%. China is also the largest contributor to Australia education-related personal travel services export, contributing more than twice as much as India, the second-largest source. According to Ipsos, the total education-related personal travel services export income in Australia increased from AUD\$ 16.9 billion in the fiscal year ended 30 June 2013 to AUD\$ 28.0 billion in the fiscal year ended 30 June 2017 at a CAGR of 13.5% with China's contribution of AUD\$ 9.0 billion, accounting for 32.1% of the market share.

According to Ipsos, the top four English-speaking destination countries for PRC students pursuing tertiary education abroad are, in order, the United States, Australia, the United Kingdom and Canada. The number of PRC students studying for tertiary education in these four countries has increased from approximately 406,000 in 2012 to approximately 606,000 in 2016, at a CAGR of 10.5%. The number of PRC students studying for tertiary education in Australia has increased from approximately 90,000 in 2012 to approximately 108,000 in 2016, at a CAGR of 4.6%. PRC students pursuing higher education in Australia accounted for approximately 90% of the total number of Chinese tertiary education students in Australia between 2012 and 2016. According to a report from Australian Trade and Investment Commission, the number of Chinese students in higher education sector in Australia is expected to grow from 97,500 in 2015 to 145,900 in 2025 at a CAGR of 4.1%.

Rising affluence, increasing opportunities to study abroad and growing local competition for top universities in China are key market drivers for PRC students pursuing higher education abroad. According to Ipsos, the annual disposable income per capita of urban households in China increased from RMB26,467.0 in 2013 to RMB33,616.0 in 2016 at a CAGR of 8.3% as a result of economic development and total personal disposable income in China is expected to grow by 6% annually on average from 2017 to 2021. Furthermore, Chinese policies governing overseas higher education continue to support studying abroad. As Chinese families gradually have higher disposable income and are exposed to international options other than traditional local education in China, more Chinese students are studying abroad in order to benefit from quality education systems overseas. According to Ipsos, the number of high net worth individuals in China, meaning those with over RMB10 million in total assets, exceeded 1.58 million in 2016 and these high net worth individuals are more willing to invest in quality education for their families. 54.9% of high net worth individuals surveyed think that studying abroad will help their children become more independent and expand their social networks.

China has established academic partnerships with other parts of the world since implementing the reform and opening policy in 1978, including participating in international academic cooperation through sino-foreign education programs. These programs are approved by the Ministry of Education of China and allow students who undertake the approved program of study at both the Chinese university and the overseas higher education provider to obtain degrees which will be recognised in China.

In December 2010, the Ministry of Education of China officially published the JSJ List with 42 recognised Australian universities and higher education providers. Of the 42 higher education providers listed, our Company is the only for-profit NUHEP. This increases our profile and brand awareness in China. Additionally, degrees from the higher education providers on the JSJ List will be recognised in the PRC for further study and for employment in government-owned institutions, which we believe is an important asset for Chinese students who are interested in studying abroad and then returning to China. According to Ipsos, the number of Chinese students who study overseas and return to China rose from approximately 272,900 in 2012 to approximately 432,500 in 2016 at a CAGR of 12.2%.

Among Chinese students pursuing tertiary education abroad, business-related subjects were the most popular majors, accounting for 26.5% of Chinese students pursuing higher education abroad based on the results of a 2016 survey, according to Ipsos. Other popular subjects among Chinese students studying abroad include engineering, accounting, mathematics, technology and science.

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TRENDS IN THE HIGHER EDUCATION INDUSTRY OF AUSTRALIA

The market drivers and development trends for the overall Australian higher education industry include:

- *Increasing demand from population growth.* According to Ipsos, the total population in the age group of 15 to 29 in Australia is expected to increase from 4.9 million in 2015 to 5.0 million in 2025, and the total world population in the age group of 15 to 29 is expected to increase from 1,807 million in 2015 to 1,830 million in 2025, resulting in more demand for higher education.
- *Technological innovation in the higher education sector.* Adoption of new technology is one of the aspects of Australia's "National Strategy for International Education 2025". Technological innovation, particularly online platforms such as MOOCs, enhances the accessibility of higher education, thus expanding the prospective students base for Australian higher education.
- *Improving global economy.* Global economic recovery and economic growth in the countries that are the largest contributors to Australia's education export are expected to create increased demand and expenditure in Australia. According to Ipsos, Australia's top education export countries, including China, India, Republic of Korea, Malaysia and Vietnam, have experienced growth in gross domestic product per capita between 2012 to 2016, which is projected to continue during the period between 2017 to 2021.

The market drivers and development trends for the international education industry in Australia include:

- *International demand for education services.* The growth of education exports in Australia relies on demand from other countries where students and families see added value in international education, such as employment opportunities, language skills and social connections. International demand may also be affected by changes in competing destination countries. As such, geopolitical risks in major competitor countries may become a driver for growth in Australia.
- *Close relationships with China.* The China-Australia Free Trade Agreement ("ChAFTA"), which was signed in 2014, helps promote mutual recognition of higher education qualifications, increases the marketing opportunities for Australian education institutions in China and enhances the academic and research mobility of people between Australia and China.
- *Streamlined application for Australian visas.* The introduction of the SSVF in 2016 has contributed to the increased international student numbers and the growth of higher education providers in Australia. SSVF arrangements were implemented to support the sustainable growth of international student numbers by creating a simpler and faster visa processing procedure while maintaining immigration integrity. Currently students from the PRC do not need to provide certain additional documentation required for students from high-risk countries and our Institute is rated as low risk under this framework.

BENCHMARKS FOR AUSTRALIAN HIGHER EDUCATION PROVIDERS

Key performance metrics in higher education are used to evaluate measures of quality. We believe the following benchmarks are relevant to assessing higher education providers in Australia, including universities and NUHEPs: (i) duration of TEQSA registration period, (ii) conditions imposed by TEQSA

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on registration, (iii) number of TEQSA accredited courses, (iv) student attrition rates, (v) graduate employment rate and (vi) tuition fee. We benchmark our Institute against others using publicly available data.

- TEQSA registration period.** TEQSA registration is a prerequisite for higher education providers to operate. The maximum allowed period of a registration or re-registration term is seven years. Successful TEQSA registration requires repeated demonstration of quality and capability during each renewal process. The table below shows the range of TEQSA registration periods for each type of institution and the percentage of institutions in each group. We received our most recent registration renewal for the maximum allowed period of seven years.

Years	TEQSA registration period							Total
	1	2	3	4	5	6	7	
Universities	—	—	—	—	—	—	100%	100%
For-profit NUHEPs	—	7%	9%	22%	4%	—	57%	100%
Not-for-profit NUHEPs	—	2%	2%	7%	—	2%	86%	100%
TAFEs	—	—	11%	—	—	—	89%	100%

Source: Ipsos Report

- TEQSA imposed conditions.** TEQSA has the power to impose a wide range of restrictive and mandatory conditions on the registration of higher education providers. The conditions can be as minor as reporting condition (such as a requirement to report information to TEQSA by a specified date), or can be as fundamental as a block on all new enrolment. The table below shows the percentage of providers in each group with active conditions. We received our most recent registration renewal without conditions.

Active TEQSA conditions for higher education providers in Australia as at July 2017

	With conditions	No conditions	Total
Universities	0%	100%	100%
For-profit NUHEPs	52%	48%	100%
Not-for-profit NUHEPs	31%	69%	100%
TAFEs	44%	56%	100%

Source: Ipsos Report

- TEQSA accredited courses.** Aside from TEQSA registration, higher education providers must also obtain accreditation by TEQSA for each higher education course it offers. Course accreditations are conducted on an individual basis. As such, the course accreditations demonstrate that a higher education provider has satisfied TEQSA requirements for each course. As at 26 February 2018, we had 21 accredited courses, not including two courses with accreditation ongoing while pending renewal. Excluding universities and self-accrediting authority institutes without condition, 114 higher education providers had obtained TEQSA course accreditations as at 26 February 2018. Among these 114 higher education providers, we ranked ninth in terms of number of TEQSA course accreditations obtained (not including accreditations pending renewal or assessment). Of these 114 higher education providers, only 53 had obtained the maximum allow period of registration of seven years without condition. Among these 53 higher education providers, we ranked sixth in terms of number of TEQSA course accreditations obtained (not including accreditations pending renewal, expired or withdrawn). Focusing further on higher education providers with active accreditations at AQF

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levels 7 to 9 (Bachelor Degree: Bachelor Honours Degree, Graduate Certificate, Graduate Diploma and Master Degree) in the field of management and commerce, there were only 13 such higher education providers and we ranked first in terms of number of TEQSA course accreditations of AQF levels 7 to 9 in the field of management and commerce with 15 such courses accredited as at 26 February 2018.

- Student attrition rates.** High attrition is often associated with less academically prepared cohorts and a less-than-optimal delivery environment, which will likely affect revenue for higher education providers. The table below shows the quartile points in terms of percentage of bachelor's degree students that do not complete their first year of study from higher education providers in each group. According to Ipsos, for-profit NUHEPs in the lowest quartile had attrition rates of up to 25% of their first year bachelor's degree students, while for-profit NUHEPs in the highest quartile had attrition rates of above 48% of their first-year bachelor's degree students in 2015. Our student attrition rate for bachelor's degree students who do not complete their first year was approximately 15% in 2015.

First year bachelor's degree student attrition rates — quartile points in Australia in 2015

Higher Education Providers	1st Quartile	Median	3rd Quartile
For-profit NUHEPs	25%	33%	48%
Not-for-profit NUHEPs	20%	33%	50%
TAFEs	23%	28%	31%
Universities	13%	19%	25%

Source: Ipsos Report

- Graduate employment rate.** Employment rates of graduates are widely used as an indicator of the quality of higher education providers. This relates to perceptions about the quality of the teaching and course content to equip students with the skills required to successfully gain employment following graduation. Graduate employment rates typically vary by discipline and geographic markets due to labour market conditions. Graduate employment rates are measured based on full-time employment four months following graduation. The most relevant publicly available comparable data is for international students who are bachelor's degree graduates from Australian universities. We record our own graduate employment rate data based on all students who graduated from courses at any level in a given year.

Employability measurement	International students for bachelor's degree at Australian universities (2014) ⁽¹⁾	Our Company
Percentage of graduates available for full-time employment	44.1%	43.3% (2014) and 44.4% (2013)
Full-time employment rate for graduates seeking full-time employment	42.2% (2014) and 45.1% (2013)	53.8% (2014) and 75.0% (2013)
Full-time employment rate for graduates in specific fields: Business Studies/Accounting	46.6% in Business Studies and 34.3% in Accounting	53.8% (2014) and 75.0% (2013) (our graduates are all in Business Studies or in Accounting)

Source: Ipsos Report

Note:

(1) Figures are based on the 2014 Australian Graduate Survey provided by Graduate Careers Australia. This information is for international students of Australian universities but not private education providers. This is the latest information available from this source on this subject.

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- Tuition fee.** The average revenue yield per EFTSL of for-profit private higher education providers across all fields in 2015 was AUD\$18,625 for domestic students and AUD\$20,275 for international students, according to Ipsos. Some Australian universities receive subsidies for domestic students, thus further increasing the fee difference between domestic and international student tuition fees. For an undergraduate degree in business, domestic subsidised students pay approximately AUD\$10,000 per year while international students in the same course at a top Australian university may pay approximately AUD\$40,000 per year. Our average tuition per EFTSL was AUD\$16,420, AUD\$17,180 and AUD\$18,021 for the years ended 30 June 2015, 2016 and 2017, respectively.

COMPETITIVE LANDSCAPE

According to Ipsos, private NUHEPs and universities in Australia compete in distinct parts of the market. Australian universities receive subsidies for domestic students and, as such, tuition fees for domestic student are generally much lower at universities than at private NUHEPs for domestic students. In contrast, the tuition fees for international students tend to be much higher at Australian universities than at private NUHEPs. Additionally, universities generally offer more fields of education whereas private NUHEPs tend to be more niche-oriented and concentrate within a few fields. As a private NUHEP with a significant proportion of our course offerings in the business field, we are part of the overall market for private NUHEPs, but we predominantly compete against other business-focused private NUHEPs.

Private NUHEP Rankings

Private NUHEPs in Australia operate in a variety of business models. Some providers focus exclusively on one-year diploma programs as a pathway to universities (such as those without students enrolled in AQF 7 or higher) and do not offer bachelor's degree courses as we do. Additionally, our Institute has a physical campus and in-person delivery of courses and we do not compete against those providers who have exclusively online delivery of courses or those with offshore delivery without a physical campus in Australia. Excluding these providers with a fundamentally different business model from ours, there are over 70 private NUHEPs in Australia. The student EFTSL reported in the following rankings are for the higher education sector only.

According to Ipsos, among private NUHEPs in Australia, we ranked 14th in terms of student enrolment by EFTSL in 2015 with a market share of 1.9%. The three largest private NUHEPs in 2015 in terms of EFTSL had market shares of 10.6%, 10.1% and 5.9%, respectively. With respect to those private NUHEPs in Sydney (based on location of their head office or campus location), we ranked second in terms of estimated international student EFTSL in 2015, according to Ipsos. Historical EFTSL data for higher education providers after 2015 was not yet available as at the date of the Ipsos Report.

The market segment we predominantly compete within comprises business-focused private NUHEPs, which are private NUHEPs with at least 100 EFTSL enrolled in the field of education of management and commerce and not focused on a non-business niche (such as music). Among those business-focused private NUHEPs which were operational and accredited as at the Latest Practicable Date ("**private NUHEP business schools**"), we ranked third in 2015 in terms of international onshore student EFTSL, with a market share of 7.8%. The following table sets out the ranking among private NUHEP business schools in Australia in 2015.

Rank	Institution	EFTSL of international students studying in Australia	Est. market share by EFTSL of international students studying in Australia
1	Company A ⁽¹⁾	4,144	48.8%
2	Company B ⁽²⁾	1,520	17.9%
3	Our Company	664	7.8%
4	Company C ⁽³⁾	581	6.8%
5	Company D ⁽⁴⁾	483	5.7%
	Others	1,101	13.0%
	Total	8,493	100%

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Source: Ipsos Report

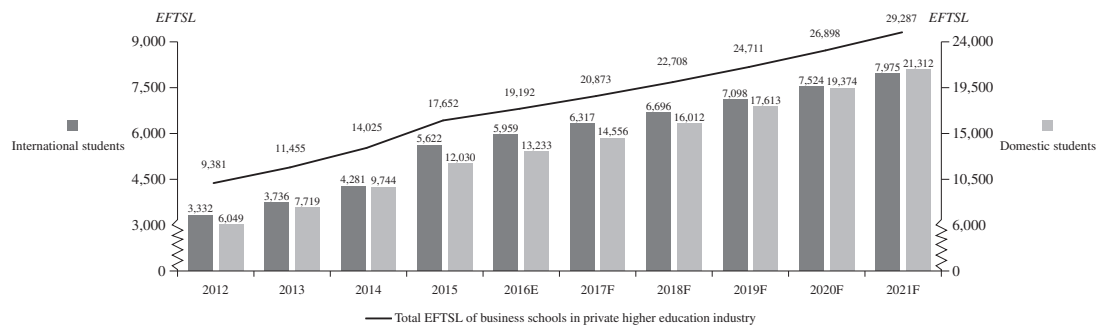
Notes:

- (1) Company A is headquartered in Melbourne and has multiple campus locations, including one in Sydney. Its student body is primarily international students and its offerings focus on business, IT and fashion.
- (2) Company B is headquartered in Sydney and has multiple campus locations. It offers undergraduate and postgraduate business courses.
- (3) Company C is a Sydney-based college that offers both vocational and higher education, with a focus on programs in management and commerce, mainly for international students.
- (4) Company D is a Sydney-based college that operates under a number of different trading names. It offers both vocational and higher education programs and its higher education programs are focused on international students studying in management and commerce.

Private Higher Education Business School Market

According to Ipsos, the number of EFTSL in the private higher education business field has been growing, with enrolments increasing from 9,381 EFTSL in 2012 to an estimated 19,192 EFTSL in 2016 at a CAGR of 19.6%. The following chart shows the historical and projected changes in EFTSL in business schools in the private higher education industry in Australia from 2012 to 2021:

Total EFTSL of business schools in private higher education industry in Australia from 2012 to 2021



Source: Ipsos Report

Moreover, there has been an increasing trend in students enrolling in private business schools. According to Ipsos, the ratio of student enrolment in private higher education business schools compared to total student enrolment in higher education business courses increased from 5.3% in 2012 to 9.7% in 2016. Growth is expected to continue in the future, increasing from 10.3% in 2017 to 13.2% in 2021, according to Ipsos.

Private Higher Education Law School Market

We are the first and only private non-university law school in the Australian higher education industry accredited by the LPAB to deliver a professional entry qualification in law (Bachelor of Laws degree). In 2015, the total EFTSL of Australian law schools was 46,285, consisting of 36,214 EFTSL in bachelor's courses and 10,071 EFTSL in master's courses (including both professional entry qualifications (Juris Doctor) and discipline specialisation programs (most often titled Master of Laws)). According to Ipsos, the market for private for-profit law schools in Australia is still embryonic at present.

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Future Opportunities for Private NUHEPs in Australia

- *Increasing number of international students.* The growth of international students and increasing demand for international education create opportunities for private NUHEPs. Between 2013 and 2015, in Australia, the number of international onshore students enrolled in for-profit NUHEPs grew by 46% compared to 12% for universities.
- *Attractiveness of Australia among international competitors.* The relative weakness of the Australian dollar is likely to attract students who may otherwise opt to study in the United Kingdom or the United States. Additionally, any uncertainties relating to visa processes for key competitor countries, such as the effect of Brexit on the United Kingdom, may also increase interest in Australia as a destination country for study.
- *Employment prospects of private NUHEPs.* As students and families are increasingly concerned with post-graduation employment rates, private NUHEPs who are able to offer students practical, workplace experiences such as internships have the opportunity to differentiate their offerings and attract a larger cohort. Private NUHEPs may be more nimble and responsive to market and student needs compared to universities which often operate through more complex governance structures.

Entry Barriers and Threats to Private NUHEPs in Australia

- *High regulatory and financial requirements.* Prospective higher education providers are required to apply to TEQSA and demonstrate compliance with a suite of extensive and demanding standards. The cost and the time required to develop a prospective higher education provider prior to application is already significant and can typically take more than one year. The assessment process by TEQSA must be complete within a legislative timeframe of nine months, preceded by a one-month preliminary assessment. If successful, registered providers would need to undertake further applications in order to provide necessary functions such as access to the higher education student loan scheme for domestic students or approval to deliver higher education to international students.
- *Time and financial cost related to course accreditations.* In addition to becoming accredited as a higher education provider, it takes considerable time and financial costs to receive course accreditation from TEQSA and relevant professional accreditation bodies in Australia when developing and offering new courses. Such regulatory requirements further increase the investment and cost of operations for potential market players in higher education industry.
- *Competition from large, established players.* Brands and marketing channels are also entry barriers as it is not easy to attract students to pursue higher education at a newly established institution when a number of existing players with strong track records already exist.
- *National policy settings in higher education or immigration may have an adverse effect on private higher education.* Recently, Australia government passed reforms to replace “457 visas” which enabled international student employment with a temporary visa that did not necessarily lead to permanent residency. As many students in the past used to commence with student visas, then move to 457 visas and subsequently apply for permanent residency, this reform may create a disincentive for students electing Australia as a long-term education and residency destination.
- *Digital technologies.* Digital technologies present a challenge to all higher education providers in terms of course delivery. Online learning creates pressure on higher education providers to offer innovative learning modes of delivery, and the learning and teaching infrastructure will need to be more sophisticated to attract students and parents.

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COSTS FOR AUSTRALIAN HIGHER EDUCATION PROVIDERS

One of the major costs for higher education providers are salaries for academic teaching staff. Private higher education providers generally pay less than public universities that have labour unions who have been historically successful in negotiating guaranteed annual wage increases. Private higher education providers also rely on higher levels of casual or sessional staff. However, TEQSA can put pressure on providers to increase the proportion of permanent staff and reduce the overall proportion of casual and sessional staffing.

According to Ipsos, the costs per full-time equivalent academic staff member based on Australian public university data were approximately AUD\$153,000 in 2015. Such costs included costs, overtime, pension contributions and payroll taxes. Since 2011, such costs grew at an average of approximately 2.5% per annum. The private higher education sector operates on lower cost structures than universities, in part because universities conduct more research activities, according to Ipsos. In the for-profit sector, the median employee benefits to revenue ratio was 36.6%, with considerable spread across this part of the sector. In comparison, our total employee benefits expenses amounted to AUD\$3.5 million, AUD\$6.1 million and AUD\$5.7 million, or 20.5%, 35.0% and 26.8% of revenue, for the years ended 30 June 2015, 2016 and 2017, respectively.

THE IPSOS REPORT

We commissioned Ipsos to undertake research on the higher education industry in Australia and we paid Ipsos a professional fee of HK\$910,000. Our Directors have confirmed that Ipsos, including all of its subsidiaries, divisions and units, is independent of and not connected with us in any way. Ipsos, on behalf of itself, its subsidiaries, divisions and units, has confirmed that the Ipsos Report was prepared in its ordinary course of business, and has given its consent for us to quote from the Ipsos Report and to use the information contained in the Ipsos Report in this prospectus. Ipsos, having offices in over 80 countries, is a market research and consulting firm that provides insight to its clients to drive their brands competitiveness, as well as products and customer relations strategies. Ipsos is engaged in the provision of various services including market survey, market profiling, market sizing, share and segmentation analysis, distribution and value analysis, competitor tracking and corporate intelligence. The information contained in the Ipsos Report is derived by means of various data and intelligence gathering methodologies, including desk research, client consultation and primary research by interviews with key stakeholders and industry experts. The Ipsos Report was compiled based on the following assumptions: (i) the global economy remains a steady growth across the forecast period; and (ii) there will be no external shocks such as financial crises or natural disasters which could affect the higher education industry in Australia during the forecast period.

REGULATIONS IN RELATION TO HIGHER EDUCATION IN AUSTRALIA

The following sets out an overview of the key Australian laws and regulations which apply to TOP which provides accredited undergraduate and postgraduate award courses in business and law to both local Australian students and overseas students. The overview relates to the relevant Australian laws and regulations as at the Latest Practicable Date and such laws and regulations may change during the period in which you own Shares.

The TEQSA Act

The TEQSA Act was passed in 2011 and is the primary legislation governing the higher education sector in Australia. It is commonwealth legislation that applies in each state and territory of Australia. Before the TEQSA Act came into effect, each state and territory of Australia had separate laws governing the provision of higher education in the relevant jurisdiction.

The objects of the TEQSA Act are:

- to provide for national consistency in the regulation of higher education;
- to regulate higher education using a standards-based quality framework and principles relating to regulatory necessity, risk and proportionality;
- to protect and enhance Australia's reputation for and international competitiveness in higher education sector, as well as excellence, diversity and innovation in the higher education in Australia;
- to encourage and promote a higher education system that is appropriate to meet Australia's social and economic needs for a highly educated and skilled population;
- to protect students undertaking, or proposing to undertake higher education in Australia by requiring the provision of quality higher education; and
- to ensure that students undertaking, or proposing to undertake higher education have access to information relating to higher education in Australia.

TEQSA

Higher education providers in Australia such as TOP must be registered with TEQSA — an independent government agency established under the TEQSA Act which commenced its function as the regulator of higher education in Australia since 29 January 2012. Higher education providers include universities, non-university for-profit providers, non-university not-for-profit providers and technical and further education providers. TEQSA is primarily responsible for:

- the registration of providers;
- the accreditation of courses;
- approval of self-accrediting entities; and
- overseeing compliance with the HES Framework.

TEQSA maintains a national register of higher education providers and regulates the higher education sector in Australia by:

- setting out regulatory risk frameworks;
- setting out guidance notes for procedures and benchmark performance indicators;
- benchmarking providers against various indicators;
- reporting certain data to the Australian Government Department of Education and Training; and
- making additional requests for information from higher education providers in respect of their compliance with the TEQSA Act.

Registration as higher education providers

TOP obtained the most recent registration renewals as a higher education provider with TEQSA in 2015 for a period of seven years, which is the maximum allowed renewal period that could be granted at the time. The current registration renewal of TOP with TEQSA is without conditions. TOP may apply for another registration renewal upon the end of the current renewal period and TEQSA may renew the registration of TOP as a higher education provider if TEQSA is satisfied that TOP meets the HES

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Framework. TEQSA must, within 30 days after an application is made, make a preliminary assessment as to the appropriateness of the application for registration in a provider category and whether an application is required for a course of study to be accredited. TEQSA must make a decision on the registration application within either:

- 9 months of receiving the application; or
- a longer period (but no longer than a further 9 month period) of receiving the application if TEQSA is satisfied that, for reasons beyond its control, a decision on the application cannot be made within the initial 9 month review period.

A registered higher education provider may apply to TEQSA, in the approved form, to have its registration renewed:

- at least 180 days before its registration is to end; or
- within such shorter period as TEQSA allows.

Education provider categories

The HES Framework makes provision for the following provider categories:

- A **Higher Education Provider** offers an Australian higher education qualification and/or an overseas higher education qualification.
- An **Australian University** self-accredits and delivers undergraduate and postgraduate courses of study that meet the HES Framework across a range of broad fields of study (including Masters Degrees (Research) and Doctoral Degrees (Research) in at least three of the broad fields of study it offers).
- An **Australian University College** self-accredits and delivers undergraduate and postgraduate courses of study that meet the HES Framework across a range of broad fields of study (including Masters Degrees (Coursework) in at least one of the broad fields of study and Masters Degrees (Research) and Doctoral Degrees (Research)).
- An **Australian University of Specialisation** self-accredits and delivers undergraduate and postgraduate courses of study that meet the HES Framework in one or two broad fields of study only (including Masters Degrees (Research) and Doctoral Degrees (Research)).
- An **Overseas University** is recognised as a university by its home country registration or accreditation authority or equivalent governmental authority the standing and standards of which are acceptable to TEQSA. The provider also meets criteria equivalent to those for the “Australian University” Category.
- An **Overseas University of Specialisation** offers an overseas higher education qualification. The provider is recognised as a university by its home country registration accreditation authority or equivalent governmental authority, the standing and standards of which are acceptable to TEQSA and meets criteria equivalent to those for the “Australian University of Specialisation” category.

Section 38 of the TEQSA Act provides that a registered higher education provider may apply to TEQSA to change the category in which the provider is registered. TEQSA may also change the category in which a provider is registered on its own initiative.

Australian University of Specialisation

Becoming an Australian university of specialisation in the field of education of Management and Commerce is one of our key priority goals. To be granted status as an Australian University of Specialisation, we would need to undertake a rigorous self-assessment and provide a credible business plan to TEQSA together with an assurance that any additional investment can be sustained.

Before applying for a university category, we would need to demonstrate our ability to satisfy the Self-Accrediting Authority (SAA) requirements. These require us to:

- possess significant infrastructure and capability; and
- successfully develop, monitor and review a range of courses at least one accreditation cycle (typically seven years for our courses) prior to applying for SAA.

If these requirements are met, we would, in addition, need to satisfy the following criteria to qualify for status as an Australian University of Specialisation:

- we need to self-accredit and deliver undergraduate and postgraduate courses of study that meet the HES Framework in one or two broad fields of study only (including Masters Degrees (Research) and Doctoral Degrees (Research) in these one or two broad fields of study we offer);

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- we need to have been authorised for at least the last five years to self-accredit at least 85% of its total courses of study in one or two broad fields of study only, including Masters Degrees (Research) and Doctoral Degrees (Research) in these broad fields of study;
- we must have undertaken research that leads to the creation of new knowledge and original creative endeavour at least in those broad fields of study in which Masters Degrees (Research) and Doctoral Degrees (Research) are offered;
- we must demonstrate the commitment of teachers, researchers, course designers and assessors to the systematic advancement of knowledge;
- we must demonstrate sustained scholarship that informs teaching and learning in all fields in which courses of study are offered;
- we must identify and implement good practices in student teaching and learning, including those that have the potential for wider dissemination nationally;
- we must offer an extensive range of student services, including student academic and learning support, and extensive resources for student learning in all disciplines offered;
- we must demonstrate engagement with its local and regional communities and demonstrates a commitment to social responsibility in its activities;
- we need to have systematic, mature internal processes for quality assurance and the maintenance of academic standards and academic integrity; and
- our application for registration needs to have the support of the relevant Commonwealth, State or Territory government.

Accreditation levels under the AQF

The Australian Qualifications Framework (AQF) is Australia's national policy for regulated qualifications in the Australian education and training system. The AQF was first introduced in 1995 to underpin the national system of qualifications in Australia encompassing higher education, vocational education and training and schools. Verification of AQF qualifications and the organisations authorised to issue them is through the AQF Register.

TOP currently offers Diplomas, Graduate Diplomas, Associate Degrees, Bachelor Degrees, Graduate Certificates and Masters Degrees. Below is a summary of the learning outcomes that the courses must achieve to be accredited at those qualification levels.

(a) Accreditation of Diploma qualifications

When accrediting Diploma qualifications, accrediting authorities must assess whether Graduates of the Diploma will achieve the learning outcomes at AQF level 5. Graduates at this level will have specialised knowledge and skills for skilled/paraprofessional work and/or further learning. The AQF specification for the Diploma qualification provides that Graduates of a Diploma will have a broad range of cognitive, technical and communication skills to select and apply methods and technologies to:

- analyse information to complete a range of activities;
- provide and transmit solutions to sometimes complex problems; and
- transmit information and skills to others.

(b) Accreditation of Associate Degree qualifications

When accrediting Associate Degree qualifications, accrediting authorities must assess whether Graduates of the Associate Degree will achieve the learning outcomes at AQF level 6. Graduates at this level will have broad knowledge and skills for paraprofessional/highly skilled work and/or further learning. The AQF specification for the Associate Degree qualification provides that Graduates of an Associate Degree will have a broad range of cognitive, technical and communication skills to select and apply methods and technologies to:

- analyse information to complete a range of activities;
- interpret and transmit solutions to unpredictable and sometimes complex problems; and
- transmit information and skills to others.

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(c) Accreditation of a Bachelor Degree qualification

When accrediting a Bachelor Degree qualification, accrediting authorities must assess whether Graduates of a Bachelor Degree qualification will achieve learning outcomes at AQF level 7. Graduates at this level will have broad and coherent knowledge and skills for professional work and/or further learning. The AQF specification for the Bachelor Degree qualification provides that Graduates at this level will have well-developed cognitive, technical and communication skills to select and apply methods and technologies to:

- analyse and evaluate information to complete a range of activities;
- analyse, generate and transmit solutions to unpredictable and sometimes complex problems; and
- transmit knowledge, skills and ideas to others.

(d) Accreditation of Graduate Certificate qualifications

When accrediting a Graduate Certificate qualifications, accrediting authorities must assess whether Graduates of a Graduate Certificate qualification will achieve learning outcomes at AQF level 8. Graduates at this level will have advanced knowledge and skills for professional or highly skilled work and/or further learning. The AQF specification for the Graduate Certificate qualification provides that Graduates at this level will have advanced cognitive, technical and communication skills to select and apply methods and technologies to:

- analyse critically, evaluate and transform information to complete a range of activities;
- analyse, generate and transmit solutions to complex problems; and
- transmit knowledge, skills and ideas to others.

(e) Accreditation of Graduate Diploma qualifications

When accrediting a Graduate Diploma, accrediting authorities must assess whether Graduates of the Graduate Diploma qualification will achieve the learning outcomes at AQF Level 8. Graduates at this level will have advanced knowledge and skills for professional or highly skilled work and/or further learning. The AQF specification for the Graduate Diploma qualification provides that Graduates at this level will have advanced cognitive, technical and communication skills to select and apply methods and technologies to:

- analyse critically, evaluate and transform information to complete a range of activities;
- analyse, generate and transmit solutions to complex problems; and
- transmit knowledge, skills and ideas to others.

(f) Accreditation of Masters Degree qualifications

When accrediting a Masters Degree, accrediting authorities must assess whether Graduates of the Masters Degree qualification will achieve the learning outcomes at AQF level 9. Graduates at this level will have specialised knowledge and skills for research, and/or professional practice and/or further learning. The AQF specification for the Masters Degree qualification provides that Graduates at this level will have expert, specialised cognitive and technical skills in a body of knowledge or practice to independently:

- analyse critically, reflect on and synthesise complex information, problems, concepts and theories;
- research and apply established theories to a body of knowledge or practice; and
- interpret and transmit knowledge, skills and ideas to specialist and non-specialist audiences.

TEQSA'S ACCREDITATION OF COURSES OF STUDY OFFERED BY TOP

TEQSA is the accrediting authority of courses of study currently offered by TOP. The registration of TOP as a higher education provider is due for renewal on 5 March 2022. The status of the TEQSA

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accreditation of the courses of study offered by Top as at the Latest Practicable Date (as defined in the prospectus for the Listing) is as follows:

<u>Course</u>	<u>TEQSA registration renewal date or status</u>
Associate Degree in Applied Finance and Accounting	Accredited, renewal date is 17/12/2022
Associate Degree of Business	Accredited, renewal date is 05/03/2022
Bachelor of Applied Finance and Accounting	Accredited, renewal date is 17/12/2022
Bachelor of International Business	Accredited, renewal date is 05/03/2022
Bachelor of Laws	Accredited, renewal date is 08/08/2020
Diploma of Applied Finance and Accounting	Accredited, renewal date is 17/12/2022
Diploma of Business	Accredited, renewal date is 05/03/2022
Graduate Certificate in Accounting	Accredited, renewal date is 30/06/2023
Graduate Certificate in Business Research	Accredited, renewal date is 18/11/2022
Graduate Certificate of Business Management	Accredited, renewal date is 18/07/2020
Graduate Diploma in International Business	Accredited, renewal date is 18/07/2020
Graduate Diploma in Marketing and Public Relations	Accredited, renewal date is 18/07/2020
Graduate Diploma of Accounting	Accredited, renewal date is 30/06/2023
Master of Accounting Practice	Accredited, renewal date is 18/11/2022
Master of Business Research	Accredited, renewal date is 18/11/2022
Master of International Business	Accredited, renewal date is 18/07/2020
Master of Laws	Accredited, renewal date is 23/10/2022
Master of Marketing and Public Relations	Accredited, renewal date is 18/07/2020
Master of Professional Accounting	Accredited, renewal date is 30/06/2021
Master of Professional Accounting Services ⁽¹⁾	Accredited, renewal date is 30/06/2021
Graduate Certificate in Business Administration	Accredited, renewal date is 22/09/2024
Graduate Diploma in Business Administration	Accredited, renewal date is 22/09/2024
Master of Business Administration	Accredited, renewal date is 22/09/2024

Note:

- (i) Formerly known as Master of Professional Accounting and Business.

There are currently no conditions imposed on the accreditation of the above courses.

Applications for accreditation and renewal of courses

TEQSA must, within 30 days after an application for the accreditation of a course is made:

- advise the applicant whether its application is accompanied by sufficient information, documents and assistance; and
- if it is not, request that the applicant provide further information, documents or assistance.

TEQSA must make a decision on the course accreditation application within either:

- 9 months of receiving the application; or
- a longer period (but no longer than a further 9 month period) of receiving the application if TEQSA is satisfied that, for reasons beyond its control, a decision on the application cannot be made within the initial 9 month review period.

TEQSA may impose conditions on the accreditation of a course of study (and, on its own initiative, vary or revoke any such conditions).

If a renewal of registration of a course is required, an application to re-accredit a course of study need to be made at least 180 days before the accreditation of the course of study is to end (or such shorter period as TEQSA allows). Upon receiving an application for renewal of the accreditation of a course of study, TEQSA may renew the accreditation of the course of study in relation to the registered higher education provider if it is satisfied that the accredited course continues to meet the HES Framework. In addition, under the HES Framework, a course of study is approved or accredited, or re-approved or re-accredited, only when:

- the course of study meets, and continues to meet, the applicable HES Framework (and the provider course accreditation standards in that framework);
- the decision to re-approve or re-accredit a course of study is informed by overarching academic scrutiny of the course of study that is competent to assess the design, delivery and assessment of the course of study independently of the staff directly involved in those aspects of the course; and
- the resources required to deliver the course as approved or accredited will be available when needed.

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TEQSA's powers

TEQSA may review or examine any aspect of TOP's operations to assess:

- whether it continues to meet the HES Framework;
- the level of quality of higher education provided by one or more registered higher education providers;
- assess whether there are any systemic issues relating to a particular course of study leading to a particular regulated higher education award; or
- assess the level of quality of, or whether there are any systemic issues relating to, the courses of study that lead to one or more kinds of regulated higher education awards.

Other powers include requiring a person to give information to ensure compliance with the TEQSA Act.

TEQSA carries out annual risk assessments of all registered higher education providers in Australia. These assessments examine the delivery of quality higher education and seek to identify a range of possible risks to students. TEQSA also accepts complaints about Australian higher education providers to gather information that assists TEQSA to regulate the higher education sector.

If there is an indication of non-compliance risk, TEQSA has various investigative powers, including the right to require a person to produce information under Part 6 of the TEQSA Act.

TEQSA has a wide range of powers to impose administrative sanctions to ensure compliance with the TEQSA Act and HES Framework. These powers are primarily contained in Part 7 of the TEQSA Act. TEQSA may, among other powers:

- shorten the period of accreditation or cancel the accreditation of a course of study; or
- cancel the higher education provider's registration, in which case that provider can no longer provide regulated higher education services in Australia.

In addition, the TEQSA Act contains offences and civil penalty provisions. Civil penalties up to 600 penalty units (AUD\$126,000) may be imposed. Offences and civil penalty provisions include where a regulated entity:

- offers a regulated higher education award and is not a registered higher education provider;
- represents that it offers or confers a regulated higher education award and it is not a registered higher education provider;
- offers a regulated higher education award that is not an honorary award, without requiring the completion of a course of study;
- uses the word "university" to represent itself, or its operations and it is not a registered higher education provider registered in a category that permits the use of the word "university";
- falsely represents itself as a registered higher education provider;
- falsely represents that it provides a course of study leading to a regulated higher education award;
- falsely represents that a course of study is accredited; or
- provides all or part of a course of study leading to a regulated higher education award and the course of study is not accredited.

HES Framework

The HES Framework represents the minimum acceptable requirements for the provision of higher education in or from Australia by higher education providers registered under the TEQSA Act. They were formulated pursuant to s58(1) of the TEQSA Act and commenced on 1 January 2017. The purpose of the HES Framework is to provide a framework that is useful for higher education providers to internally monitor the quality their higher education activities. The framework is designed to improve quality of higher education of Australia by setting core standards that a higher education provider is ordinarily expected to address and to manage associated risk. TEQSA would also more readily be able to use internal reports and information produced during the normal course of a provider's business, or published on provider websites, as evidence when assessing compliance with the HES Framework.

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The key areas which the HES Framework relate to are admissions, accreditation, corporate and academic governance, learning outcomes, student diversity, learning facilities, staffing and information management. In particular, TOP must adhere to standards such as:

- **Admissions:** Admissions policies, requirements and procedures are documented, are to be applied fairly and consistently, and are to be designed to ensure that admitted students have the academic preparation and proficiency in English needed to participate in their intended study, and no known limitations that would be expected to impede their progression and completion.
- **Accreditations:** Credit through recognition of prior learning is to be granted only if:
 - students granted such credit are not disadvantaged in achieving the expected learning outcomes for the course of study or qualification, and
 - the integrity of the course of study and the qualification are maintained.

Course approval and self-accreditation processes are overseen by peak institutional academic governance processes and they are to be applied consistently to all courses of study, before the courses are first offered and during re-approval or re-accreditation of the courses. All accredited courses of study are to be subject to periodic (at least once every seven years) comprehensive reviews that are overseen by peak academic governance processes and include external referencing or other benchmarking activities.

- **Learning outcomes:** The specified learning outcomes for each course of study are to encompass discipline-related and generic outcomes, including:
 - specific knowledge and skills and their application that characterise the field(s) of education or disciplines involved;
 - generic skills and their application in the context of the field(s) of education or disciplines involved;
 - knowledge and skills required for employment and further study related to the course of study, including those required to be eligible to seek registration to practise where applicable; and
 - skills in independent and critical thinking suitable for life-long learning.

Each course of study is designed to enable achievement of expected learning outcomes regardless of a student's place of study or the mode of delivery.

- **Assessments:** Methods of assessment are to be consistent with the learning outcomes being assessed, are to be capable of confirming that all specified learning outcomes are achieved and that grades awarded reflect the level of student attainment.
- **Diversity:** Institutional policies, practices and approaches to teaching and learning are to be designed to accommodate student diversity, including the under-representation and/or disadvantage experienced by identified groups, and create equivalent opportunities for academic success regardless of students' backgrounds.
- **Award of qualifications:** Qualifications, other than higher doctoral or honorary qualifications, are to be awarded only if a course of study leads to the award of that qualification and all of the requirements of the course of study have been fulfilled.
- **Facilities:** Facilities, including facilities where external placements are undertaken, are to be fit for their educational and research purposes and accommodate the numbers and educational and research activities of the students and staff who use them. The learning resources relate directly to the learning outcomes, are to be up to date and, where supplied as part of a course of study, are to be accessible when needed by students.
- **Student access to services:** A safe environment is promoted and fostered, including by advising students and staff on actions they can take to enhance safety and security on campus and online. Timely, accurate advice on access to personal support services is to be made available, including for access to emergency services, health services, counselling, legal advice, advocacy, and accommodation and welfare services.
- **Grievance procedures:** Current and prospective students are to have access to mechanisms that are capable of resolving grievances about any aspect of their experience with the higher education provider, its agents or related parties.
- **Staffing levels:** The staffing complement for each course of study is to be sufficient to meet the educational, academic support and administrative needs of student cohorts undertaking the course.

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- **Research activities:** Research is to be conducted, or overseen, by staff with qualifications, research experience and skills relevant to the type of research undertaken and their role. A system for accurate and up-to-date recording of the research outputs of staff and research students is maintained.
- **Academic misconduct:** There are to be policies that promote and uphold the academic and research integrity of courses and units of study, research and research training activities, and institutional policies and procedures address misconduct and allegations of misconduct.
- **Governance:** There is to be a formally constituted governing body, which includes independent members, that exercises competent governance oversight of and is accountable for all of the higher education provider's operations in or from Australia, including accountability for the award of higher education qualifications, for continuing to meet the requirements of the HES Framework and for the provider's representation of itself. Members of the governing body:
 - are to be fit and proper persons; and
 - must meet the Australian residency requirements, if any, of the instrument under which the provider is established or incorporated, or otherwise there are at least two members of the governing body who are ordinarily resident in Australia.
- **Academic governance:** Processes and structures are to be established and responsibilities are to be assigned so that there is academic oversight which assures the quality of teaching, learning, research and research training.
- **Information management:** Information systems and records are to be maintained, securely and confidentially as necessary.

As at the Latest Practicable Date, TOP has complied with the regulations under the HES Framework. To ensure compliance with the HES Framework and other regulations, TOP routinely collects and analyses data about operations, performs internal risk assessments on courses and overall operations, conducts periodic reviews of internal policies and procedures, and regularly discusses and monitors compliance as part of Council and Academic Board meetings. The Council meets four times per year and the Academic Board meets six times per year to discuss and monitor TOP's compliance of the HES Framework. TOP has also appointed a Vice-President (Regulatory & Compliance) who is a management team member responsible for overseeing compliance and reporting compliance issues to the Directors.

Providers of higher education to overseas students

The ESOS framework governs the provision of education to overseas students who study in Australia on a student visa. This framework principally consists of: the ESOS Act, the ESOS Regulations, the *Education Services for Overseas Students (Registration Charges) Act 1997 (Cth)*, the *Education Services for Overseas Students (TPS Levies Act) 2012 (Cth)* and the National Code.

TOP's ongoing obligations in relation to conducting a business that provides higher education to overseas students who study in Australia on a student visa are mainly contained in the ESOS Act (and ESOS Regulations) and the National Code.

(a) ESOS Act

The ESOS Act was passed in 2000. It is commonwealth legislation that applies in each state and territory of Australia. TEQSA is the ESOS agency for higher education providers and has powers to take enforcement action in respect of breaches of the ESOS Act. The enforcement powers include cancelling or suspending a provider's registration. In addition, the Immigration Minister of Australia may give an Immigration Minister's suspension certificate to a registered provider if, in the Immigration Minister's opinion, a significant number of overseas students or intending overseas students in respect of the registered provider (or its associate) are entering or remaining in Australia for purposes not contemplated by their visas.

The ESOS Act requires a registered provider who provides higher education courses to overseas students to be registered with CRICOS — a public register of Australian education institutions that recruit, enrol and teach overseas students. The CRICOS register is managed by the Australian Government Department of Education and Training.

Each CRICOS registered provider must have its CRICOS capacity number approved for how many overseas students can be enrolled at a particular time. In the higher education sector, the CRICOS provider, course and capacity is to be registered by TEQSA. Additional courses are to be added to the provider's registration if the provider meets the registration requirements. TEQSA, as the ESOS agency for higher education providers in Australia, must use a risk management approach when considering whether to add one or more courses at one or more locations to the provider's registration.

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In addition, the ESOS Act requires a CRICOS registered provider to be an Australia resident. This requires TOP to be incorporated in Australia, carry on business in Australia and have its central management and control in Australia. The ESOS Act also contains obligations regarding record keeping of student details and assessments and financial requirements — it provides that in general, a registered provider must not receive more than 50% of the total tuition fees for a course before an overseas student begins the course. The provider must keep those fees in a separate account.

(b) The National Code

The National Code provides nationally consistent standards for the conduct of registered providers and the registration of their respective courses. These standards set out specifications and procedures to ensure that registered providers of education and training courses can clearly understand and comply with their obligations under the National Code.

The National Code applies to all providers registered under the ESOS Act to deliver education and training courses to overseas students who study (or intend to study) in Australia on a student visa. The objectives of the National Code are to:

- support the ESOS framework, including supporting the effective administration of the framework by the Australian Government and state and territory governments;
- establish and safeguard Australia’s international reputation as a provider of high quality education and training by:
 - ensuring that education and training for overseas students meets nationally consistent standards; and
 - ensuring the integrity of registered providers;
- protect the interests of overseas students by:
 - ensuring that appropriate consumer protection mechanisms exist;
 - ensuring that student welfare and support services for overseas students meet nationally consistent standards; and
 - providing nationally consistent standards for dealing with student complaints and appeals; and
- support registered providers in monitoring student compliance with student visa conditions and in reporting any student breaches to the Australian Government.

(c) SSVF

On 16 June 2015, the Australian Government released the “*Future Directions for Streamlined Visa Processing Report*” and announced the introduction of SSVF to support Australia’s education services sector. According to that report, the changes were designed to make the student visa framework simpler to navigate for genuine students, deliver a more targeted approach to immigration integrity and create a level playing field for all education providers. The SSVF replaced the Streamlined Visa Processing Program and came into effect on 1 July 2016.

Immigration risk ratings are allocated to a country and an education provider based on the immigration risk outcomes of their international students over the previous 12 month period. Risk factors that impact the immigration risk rating are the rate of visa cancellations, rate of visa refusals and rate of subsequent protection visas. An immigration risk rating of 1 is the lowest and an immigration risk rating of 3 is the highest.

The combination of the immigration risk rating of the country and the education provider is used to determine whether students from a particular country studying at the education provider are eligible for streamlined and less onerous evidentiary requirements when applying for an Australian student visa.

Where streamlined evidentiary requirements apply, the student visa applicant will generally be able to satisfy the Department of Home Affairs of their financial capacity and English language proficiency by declaration. If standard evidentiary requirements apply, the student visa applicant will need to provide evidence of their financial capacity and English language proficiency.

If the immigration risk rating of the country and the education provider are both 1, then the streamlined evidentiary requirements will apply. If the education provider’s immigration risk rating is 2, the streamlined evidentiary requirements will only apply if the country’s immigration risk rating is 1 or 2 (and standard evidentiary requirements will apply if the country’s immigration risk rating is 3). If the education provider’s immigration risk rating is 3, the streamlined evidentiary requirements will only apply if the country’s immigration risk is 1 (and standard evidentiary requirements will apply if the country’s immigration risk rating is 2 or 3).

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The visa processing times vary. As at 18 January 2018, for higher education sector applications, 75% of applications were processed within 21 days and 90% of applications were processed within 45 days. The base application charge for a student visa (subclass 500) is AUD\$560.

Student visas are granted in accordance with the expiry date of the Overseas Student Health Cover and if relevant, welfare arrangements, up to the maximum periods as outlined below:

<u>Duration of course</u>	<u>Duration of visa</u>
10 months or longer (finishing November – December)	The visa will usually be granted to March 15 of the following year.
10 months or longer (finishing January – October)	The visa will usually be granted for two months longer than the duration of the course.
Less than 10 months	The visa will usually be granted for one month longer than the duration of the course.

(d) Temporary Graduate visa (subclass 485)

The Temporary Graduate visa (subclass 485) allows graduates who hold this visa to work in Australia temporarily after they complete their studies. It has two streams, being the Graduate Work stream and the Post-Study Work stream.

The Graduate Work stream is for international students who graduate with skills and qualifications that relate to an occupation considered in demand in the Australian labour market. The Department of Home Affairs has provided a list of skilled occupations eligible for the Temporary Graduate visa (subclass 485) on its website.

The Post-Study Work stream offers eligible graduates of a higher education degree extended options for working in Australia. Successful applicants are granted a visa with a period of two, three or four years depending on the level of higher educational qualification they have attained.

All subclass 485 visa applicants must satisfy the Australian study requirement in the six months immediately prior to making their application. Subclass 485 visa applications must be lodged within six months of the date of course completion. To meet this Australian study requirement, students must relevantly have:

- attained either a single qualification requiring at least two academic years' study or multiple qualifications resulting in a total period of at least two academic years' study; and
- undertaken this study in no less than 16 calendar months.

In addition, the course must, among other things, have been completed while physically in Australia and be registered through CRICOS. Two academic years' study is defined as 92 weeks of study in a course or courses registered by CRICOS. CRICOS determines a standard duration (number of weeks) for each course.

TEQSA's engagement with professional bodies

TEQSA and professional bodies with links to the higher education sector have a mutual interest in maintaining and improving quality in the provision of higher education in Australia. This is relevant to TOP which offers both business and law courses which are overseen by professional bodies.

TEQSA has agreed that the following principles should guide its engagement with professional bodies:

- the development of a complementary approach to course accreditation processes and requirements;
- the use of professional bodies as a source of expert advice;
- the sharing of information with professional bodies to inform TEQSA's regulatory activity and to protect the interests of students and the higher education sector;
- encouraging alignment of professional outcomes with learning outcome requirements of the AQF; and
- fostering communication between TEQSA and professional bodies regarding each other's respective roles.

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(a) Accreditation requirements for accounting courses

CPA Australia and CAANZ are the professional bodies for accountants in Australia. In light of TEQSA's objectives above as regards professional bodies, TEQSA and CPA Australia have entered into a Memorandum of Understanding dated 9 April 2015 which is renewable on an annual basis by mutual agreement. It commenced on 1 January 2015 and was renewed on 9 October 2017 for a further 3 years. This Memorandum of Understanding aims to ensure that TEQSA and CPA Australia perform their respective functions efficiently and with minimal duplication of roles with regard to the accreditation of courses. The main purpose of this Memorandum of Understanding is to:

- outline the basis on which TEQSA and CPA Australia, working within the terms of their respective governance requirements, agree to share information on matters of mutual interest relating to the accreditation of higher education courses of study, the registration of the higher education provider or about general compliance; and
- provide a framework through which both TEQSA and CPA Australia can discuss and agree the processes and procedures leveraging the resources and the expertise of the other, in the sharing of relevant information.

The Memorandum of Understanding is not a binding legal document but both TEQSA and CPA Australia are expected to comply with the terms in good faith, with a commitment to work cooperatively.

TOP has a license to use CPA Australia's certain teaching materials for the accredited Master of Accounting Practice course. Students who complete this course may be eligible to apply for membership of CPA Australia, with respect to professional subject requirements.

(b) Accreditation requirements for law courses

LPAB is the professional body for admitting lawyers in New South Wales, Australia pursuant to the *Legal Profession Uniform Admission Rules 2015* (NSW). The LPAB also accredits academic law courses and practical legal training courses in New South Wales, Australia and maintains the Roll of Lawyers in New South Wales, Australia.

For an individual to be admitted to the roll of solicitors in New South Wales, Australia, they must, among other things, have completed a law course accredited by the LPAB. Other states and territories in Australia may have separate accreditation and admission requirements. There is currently no Memorandum of Understanding between TEQSA and LPAB.

Access to funding

Students of higher education providers can only be considered for government financial assistance schemes if the Commonwealth Minister for Education and Training approves the provider as a higher education under the *Higher Education Support Act 2003* (Cth). TOP must have, and maintain, its TEQSA registration to continue to be approved as a higher education provider under the *Higher Education Support Act 2003* (Cth).

Local higher education students may access HECS-HELP to financially support their studies. HECS-HELP is a loan provided by the Federal Government of Australia to support higher education studies. FEE-HELP is a loan scheme that assists local eligible fee paying students pay all or part of their tuition fees. Since 2010, TOP has been approved by the Federal Government of Australia as a FEE-HELP provider.

Academic staff to students ratio

There is no specific academic staff to students ratio set by TEQSA that is applicable to TOP. Under the HES Framework, TOP must ensure that the staffing complement for each course of study is sufficient to meet the educational, academic support and administrative needs of student cohorts undertaking the course. Teaching staff are required to be accessible to students seeking individual assistance with their studies, at a level consistent with the learning needs of the student cohort. During the Track Record Period, our student to academic staff ratio in terms of full time load equivalent staff and EFTSL was approximately 35:1 or lower each term.

Fee limits

TOP is not currently subject to any caps on the tuition fees for its courses.

TOP has been approved by the Federal Government of Australia as a FEE-HELP provider. This is a loan scheme that assists local eligible fee-paying student to pay all or part of their tuition fees. The FEE-HELP limit in 2018 is AUD\$127,992 for medicine, dentistry and medicine and AUD\$102,392 for all other students. This is a limit on the loan scheme and not a limit on tuition fees that may be charged by a FEE-HELP provider.

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The Higher Education Provider Guidelines provided by the Australian Government Department of Education and Training set out minimum indicative fees for fee-paying overseas students in 2018. As TOP provides higher education to fee-paying overseas students, it would need to comply with the minimum indicative fee amounts. There is currently no maximum indicative fees for fee-paying overseas students.

There are also maximum student contribution amounts applicable to Commonwealth Supported Places. The Commonwealth Supported Places are subsidised higher education enrolments that are available at universities and certain private higher education institutes that offer subjects that are a national priority such as nursing and education. TOP is not a provider of Commonwealth Supported Places and therefore the limits on student contribution amounts applicable to those enrolments do not apply to TOP.

AUSTRALIAN CORPORATE LAW

TOP is a public company registered and incorporated in accordance with the laws of Australia. The governance and business of TOP is primarily regulated under the *Corporations Act 2001* (Cth). Public companies in Australia must have at least three directors, and at least two of those directors must be Australian residents. The Australian Securities & Investments Commission maintains public records of directors and shareholders of a company.

The Corporations Act provides that TOP must not pay a dividend unless:

- its assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and
- the payment of the dividend is fair and reasonable to its shareholders as a whole; and
- the payment of the dividend does not materially prejudice its ability to pay its creditors.

REGULATIONS IN RELATION TO FOREIGN EXCHANGE IN AUSTRALIA

There are currently no general exchange control restrictions on the transfer of funds into or out of Australia. However, formal reporting applies for cash transactions in excess of AUD\$10,000 under the *Financial Transactions Reports Act 1988* (Cth). Australian foreign exchange controls are implemented from time to time. Sanctions are administered by the Reserve Bank of Australia. Restrictions on foreign exchange may be imposed on proscribed countries from time to time.

REGULATIONS IN RELATION TO FOREIGN INVESTMENT IN AUSTRALIA

The Australian Government has expressly stated that it welcomes foreign investment, which has helped build Australia's economy and will continue to enhance the wellbeing of Australians by supporting economic growth and innovation into the future. The Australian Government reviews foreign investment proposals against the national interest on a case-by-case basis. The case-by-case approach maximises investment flows, while protecting Australia's interests. The Australian Government works with applicants to ensure the national interest is protected. However, if it is ultimately determined that a proposal is contrary to the national interest, it will not be approved, or conditions will be applied to safeguard the national interest.

The Australian Foreign Investment Review Board ("**FIRB**") is responsible for regulating overseas investment in Australian businesses and assets pursuant to the *Foreign Acquisitions and Takeovers Act 1975* (Cth) ("**FATA**"), the *Foreign Acquisitions and Takeovers Fees Imposition Act 2015* and the *Foreign Acquisitions and Takeovers Regulation 2015*.

Whether FIRB approval is required for an investment depends on the background of the investor (particularly whether the investor is a foreign government investor), the value of the asset to be sensitive sector for foreign investment.

Whether FIRB approval is required for a foreign investor to acquire an interest in Top is determined on a case by case basis. It is the responsibility of the investor to determine if it may require FIRB approval before acquiring Shares under the Global Offering. It is the responsibility of the person making the investment to satisfy himself, herself or itself (as the case may be) as to the full observance of the FATA and the Australian Federal Government's Foreign Investment Policy published by the FIRB in relation to investments in Australian companies or businesses, including the obtaining of any governmental or other consents which may be required, and compliance with other necessary approval and registration requirements and other formalities.

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A “foreign person” should not be required to obtain prior approval by the Treasurer of Australia (“**Treasurer**”) to acquire the Shares as part of the Global Offering unless they are a “foreign government investor” (defined below). However, independent legal advice should be sought. A “foreign government investor” must obtain the prior approval of the Treasurer before acquiring:

- 10% or more of the interests in TOP;
- 5% or more of the interests in TOP and that investor has entered into a legal arrangement relating to the business of TOP; or
- an interest of any percentage in the entity or business if the person who acquired the interest is in a position to influence or participate in:
 - the central management and control of TOP or its business; or
 - determine the policy of TOP or its business,

regardless of the value of TOP or its assets.

Section 17 of the *Foreign Acquisitions and Takeovers Regulation 2015* defines a “foreign government investor” as:

- a foreign government or separate government entity;
- a corporation in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds a substantial interest (that is, an interest of at least 20 per cent); or
 - foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country), together with any one or more associates, hold an aggregate substantial interest (that is, an interest of at least 40 per cent);
- the trustee of a trust in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds a substantial interest (that is, an interest of at least 20 per cent); or
 - foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country), together with any one or more associates, hold an aggregate substantial interest (that is, an interest of at least 40 per cent);
- a general partner of a limited partnership in which:
 - a foreign government or separate government entity, alone or together with one or more associates, holds an interest of at least 20 per cent; or
 - foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country), together with any one or more associates, hold an aggregate interest of 40 per cent or more; or
- a corporation, trustee or general partner of a kind described in the two dot points above, assuming the references to foreign government (or foreign governments) in those dot points include references to a foreign government investor (or foreign government investors) within the meaning of those dot points.

Under section 4 of the FATA:

- a “foreign government” means an entity that is:
 - a body politic of a foreign country; or
 - a body politic of part of a foreign country; or
 - a part of a body politic of a foreign country or a part of a body politic of part of a foreign country;
- a “separate government entity” means an individual, corporation or corporation sole that is an agency or instrumentality of a foreign country or a part of a foreign country, but not part of the body politic of a foreign country or of a part of a foreign country.

If this occurs, and approval was not obtained for the acquisition, the Treasurer may, among other things, direct the disposal of the acquired Shares, restrain the exercise of rights attached to the acquired Shares, or prohibit or defer the payment of any sums due in respect of the acquired Shares.

REGULATORY OVERVIEW

Investment restrictions on TOP under the FATA

TOP would currently be considered a “foreign person” for the purposes of the FATA as two of more “foreign persons” hold, in aggregate 40% or more of the interests in its shares. If the Global Offering is fully subscribed for by investors who are “foreign persons”, the Company will remain a “foreign person” immediately following the Listing.

The Company will remain a “foreign person” if, immediately following the Listing, 40% or more of the interests in its Shares are sold to “foreign person” investors in this Global Offering. If 20% or more of the interests in TOP’s issued Shares become owned by a single “foreign person” (described above) and its associates, or two or more “foreign persons” (even if unrelated to each other) and their associates in aggregate acquire, or obtain control over, 40% or more of the interests in the Shares or voting power (including potential voting power) in the Company, the Company will remain a “foreign person” for the purposes of the FATA.

As a “foreign person”, certain further investments in Australia by the Company may be subject to review and prior approval by the Treasurer, which may or may not be given or may be given only subject to conditions that the Company may need to comply with. If such approval is required and not obtained in relation to an investment, the Company will not be able to proceed with that investment. For example, currently, TOP would require approval from the Treasurer if it were to acquire 20% or more of the interests in an Australian business that is in a non-sensitive sector if the value of that business exceeds AUD\$261 million. Sensitive sectors include media, telecommunications, transport, defence and military related industries and activities, encryption and securities and technologies and communication systems and the extraction of uranium or plutonium or the operation of nuclear facilities. A non-sensitive business or sector is not expressly defined under the FATA or Australia’s foreign investment policy. However, it is generally taken to mean businesses that are not sensitive businesses.

As noted in the section headed “Future Plans and Use of Proceeds” in this prospectus, TOP intends to :

- identify acquisition/investment targets in the education sector, particularly with accreditations in the information technology field;
- establish student experience centres in China;
- acquire/invest in suitable education groups or institutions in China; and
- potentially acquire new potential locations in Australia.

In particular, for the proposed investments in Australia, Treasurer’s approval should be sought before acquiring interests in:

- sensitive developed commercial land that has a value of AUD\$57 million or more;
- non-sensitive developed commercial land that has a value of AUD\$261 million or more; or
- an acquisition of an education business in Australia that has a value of AUD\$261 million or more.

A campus building is unlikely to be sensitive developed commercial land.

The Company does not consider that these foreign investment review and approval procedures (if they were to apply) will materially affect the Company’s business operations.

OVERVIEW OF THE AUSTRALIAN TAXATION SYSTEM

1. Overview of the Australian tax system

Corporate income tax

An Australian tax resident company is subject to income tax on its non-exempt worldwide income. A foreign tax resident company is subject to Australian tax only on Australian sourced income. The Australian company tax rate is currently 30%. There are no proposed changes to the corporate income tax for 2016–2017 income year, small business taxpayers or base entities are currently taxed at 27.5% (if aggregate annual turnover is under AUD\$10 million and the taxpayer is carrying on a business).

The current proposed changes provide for lower corporate income tax rate (of 27.5% for income year 2019–2020 to 2023–2024 and gradually overtime to 25% for the income year 2026–2017) to all corporate entities from the 2019 income year onwards with scaling aggregated annual turnover threshold from AUD\$100 million in the income year 2019–2020 to AUD\$1 billion in the income year 2022–2023. The proposed changes have not been approved and therefore not yet enacted. Income of non-resident companies from Australian sources is similarly taxable at the company tax rate if it is not subject to any withholding tax or treaty protection. However, a foreign tax resident company not operating in Australia through a permanent establishment is generally subject to tax only on Australian sourced passive income, such as rent, interest, royalties and dividends.

REGULATORY OVERVIEW

Companies incorporated in Australia are generally residents of Australia for income tax purposes, as are companies carrying on business in Australia with either their central management and control in Australia or their voting power controlled by Australian residents.

Depreciation

Australia's capital allowance rules allow a deduction for the decline in value of a "depreciating asset" held during the year.

A "depreciating asset" is defined as an asset with a limited effective life that may be expected to decline in value over the time it is used. Land, trading stock and intangible assets, not specifically included in the regime, are not considered to be depreciating assets.

The depreciation rate for a depreciating asset depends on the effective life of the asset. Taxpayers may choose to use either the default effective life determined by the tax authorities or their own reasonable estimate of the effective life. A taxpayer may choose to recalculate the effective life of a depreciating asset if the effective life that was originally selected is no longer accurate as a result of market, technological or other factors.

Taxpayer re-estimation of effective life is not available for certain intangible assets. The government has announced plans to allow companies to self-assess the effective life of acquired intangible assets that is currently fixed by statute, for assets acquired from 1 July 2016.

Taxpayers may choose the prime cost method (straight-line method) or the diminishing value method (200% of the straight-line rate) for calculating the tax-deductible depreciation for all depreciating assets except intangible assets. For certain intangible assets, the prime cost method must be used.

Capital gains tax

Australian tax law distinguishes income (revenue) gains and losses from capital gains and losses, using principles from case law. Broadly, items which are solely capital gains and losses are not assessable or deductible under the ordinary income tax rules. However, the capital gains tax ("CGT") provisions in the tax law may apply.

For companies, capital gains are taxed at the relevant company income tax rate.

The CGT provisions apply to gains and losses from designated CGT events. The list of designated CGT events includes disposal of assets, grants of options and leases, and events arising from the tax consolidation rules.

Capital gains are calculated by identifying the capital proceeds (money received or receivable or the market value of property received or receivable) with respect to the CGT event and deducting the cost base. Capital gains are reduced by amounts that are otherwise assessable.

Capital losses are deductible only from taxable capital gains. Capital losses are not deductible from ordinary income. However, ordinary or trading losses are deductible from net taxable capital gains.

Administration

The Australian tax year ends on 30 June. For corporate taxpayers with accounting periods ending on other dates, the tax authorities may agree to use a substituted accounting period.

In general, companies with an income year end of 30 June must file an annual income tax return by the following 15 January. Companies granted permission to adopt a substituted accounting period must file their returns by the 15th day of the 7th month after the end of their income year.

Under a Pay-As-You-go ("PAYG") instalment system, companies with turnover of AUD\$20 million or less continue to make quarterly payments of income tax within 21 days after the end of each quarter of the tax year. The amount of each instalment is based on the income earned in the quarter. The instalment obligations for larger companies with turnover in excess of AUD\$20 million are changed to monthly payments.

Dividends

Dividends paid by Australian tax resident companies are franked with an imputation credit to the extent that Australian corporate income tax has been paid by the Company on the income being distributed. Unfranked dividends are dividends paid out of profits which have not been subject to Australian corporate income tax. Tax rules discourage companies from streaming imputation credits to those shareholders that can make the most use of the credits, at the expense of other shareholders.

REGULATORY OVERVIEW

A company may select its preferred level of franking with reference to its existing and expected franking account surplus and the rate at which it franked earlier distributions. However, under the “benchmark rule”, all distributions made by a company within a franking period must generally be franked to the same extent.

The consequences of receiving a franked dividend vary depending on the nature of the recipient Shareholder. Please see the section above headed “A. Australian tax implications” for further details.

Determination of taxable income

Broadly, a company is taxed based on its taxable income. Taxable income is defined as assessable income less deductions. Assessable income includes ordinary income (e.g. income derived from the operations of the business) and statutory income (specifically listed in the tax law as being assessable income including capital gains). Non-cash business benefits may be included as income in certain circumstances.

Expenses are deductible to the extent they are incurred in gaining or producing assessable income or are necessarily incurred in carrying on a business for the purpose of gaining or producing assessable income. However, certain expenses of a capital nature and expenses incurred in the production of exempt income are not deductible. Apportionment of expenses having dual purposes is possible.

Relief for losses

Tax losses may be carried forward indefinitely against assessable income derived during succeeding years, provided certain tests are satisfied.

To claim a deduction for past losses, companies must satisfy either the Continuity of Ownership Test (“COT”) or failing that, the Same Business Test (“SBT”).

Broadly, the COT is satisfied if the majority of the underlying ownership (i.e. greater than 50% ownership) in the shares of the company is maintained from the start of the income year in which the tax loss was incurred until the end of the income year in which the tax loss is sought to be recouped.

Broadly, to satisfy the SBT, the taxpayer must show that, at all times during the year in which the loss is to be recouped, it carried on the same business, and did not derive any income from a business of a kind, and did not derive income from a transaction, that it had not carried on or entered into before the change in ownership.

The government has announced plans to introduce a more flexible “predominantly similar business test” to replace the same business test, applying to losses made in the financial year ended 30 June 2016 and future income years.

Thin capitalisation

Thin capitalisation measures apply to the total debt of Australian operations of multinational groups (including foreign and domestic related-party and third-party debt), and may result in a denial of certain debt related deductions. In addition, the transfer-pricing measures may affect the deductions available for related-party debt.

The thin capitalisation measures apply to the following:

- i. foreign-controlled Australian entities and foreign entities that either invest directly into Australia or operate a business through an Australian branch (inward investing entities); and
- ii. Australian entities that control foreign entities or operate a business through an overseas branch (outward investing entities).

Withholding taxes on dividends

Dividends paid to non-residents are subject to Australian withholding tax.

For dividends paid, the withholding tax rate of 30% applies only to the unfranked portion of the dividend. A reduced rate applies if dividends are paid to residents of treaty countries. An exemption from dividend withholding tax applies to the part of the unfranked dividends that is declared in the distribution statement to be conduit foreign income. A unilateral exemption from dividend withholding tax is available for dividends paid to certain foreign charitable institutions and certain foreign pension funds.

GST

Goods and services tax (“GST”) is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia. Certain goods and services are not subject to GST, being either GST free or input taxed.

REGULATORY OVERVIEW

Generally, businesses and other organisations registered for GST will:

- include GST in the price they charge for their goods and services; and
- generally, claim credits for the GST included in the price of goods and services they acquire for their business, except to the extent that the acquisitions relate to the making of input taxed supplies.

Stamp duty

Stamp duty is a tax on written documents and on certain transactions. It is imposed by state and territory governments and the rates vary depending on the state or territory.

The main transaction that may be subject to stamp duty is the transfer of property (such as real estate and business assets).

The rate of stamp duty varies according to the type and value of the transaction involved.

Depending on the nature of the transaction, certain concessions and exemptions may be available.

KEY TAX IMPLICATIONS FOR THE SHAREHOLDERS

This section does not constitute financial product advice and is confined to Australian and Hong Kong taxation issues only. Taxation is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments.

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

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

A. Australian tax implications

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

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

1. Dividends paid on the Shares

Australian individuals and complying superannuation entities

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

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

REGULATORY OVERVIEW

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

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

Australian trusts and partnerships

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

Australian companies

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

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

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

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

Foreign tax resident investors

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

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

2. Shares held at risk — availability of franking credits

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

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

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

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

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

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

REGULATORY OVERVIEW

3. Disposal of the Shares

Australian tax resident investors

Australian tax resident investors, who hold their Shares on capital account will be subject to Australian CGT on the disposal of their Shares. Some investors may hold their Shares on revenue account or as trading stock, or be subject to the Regime. These investors should seek their own professional advice in respect of the consequences of a disposal of the Shares.

An investor, who holds their Shares on capital account, will derive a capital gain on the disposal of the Shares where the capital proceeds received on disposal exceed the CGT cost base of the Shares. The CGT cost base of the Shares in an arm's length transaction is generally the value of the consideration paid to acquire the Shares plus any transaction or incidental costs (e.g. brokerage costs and legal costs).

A CGT discount may be available on the capital gain for Australian tax resident individual investors, trustee investors and investors that are complying superannuation entities provided the particular Shares are held for at least 12 months prior to sale. Any current year or carried forward capital losses must be used to offset the capital gain first before the CGT discount can be applied. The CGT discount is not available for Australian tax resident companies.

The CGT discount for Australian tax resident individuals and trusts is 50% and for complying superannuation entities is 33 $\frac{1}{3}$ %. In relation to trusts, the CGT discount rules are complex, but the discount may flow through to Australian tax resident individuals and complying superannuation fund beneficiaries of the trust.

An Australian tax resident investor will incur a capital loss on the disposal of their Shares to the extent that the capital proceeds on disposal are less than the reduced cost base of the Shares for CGT purposes.

If an Australian tax resident investor derives a net capital gain in a year, this amount is, subject to the comments below, included in the investor's assessable income. If an Australian tax resident investor incurs a net capital loss in a year, this amount is carried forward and is available to offset against capital gains derived in subsequent years, subject in some cases to the investor satisfying certain rules relating to the recoupment of carried forward losses.

Foreign tax resident investors

A tax liability should only arise in Australia for non-resident Shareholders on capital gains arising on disposal of their Shares if the Shares constitute taxable Australian real property. Broadly, this could be the case if a company is entitled, directly or indirectly, to any landholdings (freehold, leasehold, fixtures or other items fixed to land), and such landholdings represent 50% or more of the market value of the assets of the company. Such gains will generally be taxed at the company tax rate.

4. Tax File Number (TFN) and Australian Business Number (ABN)

Australian tax resident investors may, if they choose, notify the Company of their TFN, ABN or a relevant exemption from withholding tax with respect to dividends. In the event the Company is not so notified, tax will automatically be deducted at the highest marginal rate, including the Medicare levy (the progressive income tax levy which partly finances Medicare, Australia's national healthcare scheme) from unfranked dividends.

Australian tax resident investors may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their tax returns.

An investor who holds the Shares as part of an enterprise (i.e. carrying on a business of buying and selling shares) may quote its ABN instead of its TFN.

5. Goods and services tax (GST)

The acquisition, buy-back or disposal of the Shares by an Australian tax resident investor (registered for GST) will be an input taxed financial supply, and therefore is not subject to GST.

No GST should be payable in respect of dividends paid to investors.

An Australian tax resident investor (registered for GST) may not be entitled to claim full input tax credits in respect of GST on expenses incurred relating to the acquisition, buy-back or disposal of the Shares (e.g. lawyers' and accountants' fees).

Investors should seek their own tax advice on the impact of GST in their own particular circumstances.

REGULATORY OVERVIEW

6. Stamp duty

Investors should not be liable for stamp duty in respect of the acquisition of their Shares unless the acquisition results in the investors, either alone or with an associated/related person, obtaining an interest of 90% or more in the Company.

Investors should seek their own tax advice as to the impact of stamp duty in their own particular circumstances.

B. Hong Kong tax implications

Set out below is a general summary of the Hong Kong income tax implications for individuals and companies shareholders (both Hong Kong and non-Hong Kong residents). The below summary assumes that the Company continues to be an Australian tax resident.

1. Dividends paid on the Shares

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

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

2. Disposal of the Shares

Hong Kong does not tax capital gains. In other words, no tax is imposed in Hong Kong in respect of capital gains from the sale of the Shares. However, trading gains from the sale of the Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax. It is currently imposed at 16.5% on corporations and at 15% on unincorporated businesses.

Commencing from the year of assessment 2018/19, a two-tiered profits tax rates regime will apply in Hong Kong. Under the two-tiered regime, the rate of tax for the first HK\$2 million of profits of corporations and unincorporated businesses will be reduced by half (i.e., reduced from 16.5% to 8.25% for corporations and from 15% to 7.5% for unincorporated businesses). The remainder of the profits will continue to be taxed at the normal applicable rates.

Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of the Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability to Hong Kong profits tax would thus arise in respect of trading gains from sales of the Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

3. Stamp duty

The Shares are considered as “Hong Kong stock” for the purpose of the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong). The current ad valorem rate of Hong Kong stamp duty is 0.1% on the higher of the consideration for or the market value of the Shares and it is charged on the purchaser on every purchase and on the seller on every sale of the Shares. In other words, a total stamp duty of 0.2% is currently payable on a typical sale and purchase transaction.

THE JOINT POLICY STATEMENT

The Stock Exchange and SFC issued the Joint Policy Statement which sets out guidance for overseas companies seeking to list on the Stock Exchange, including requirements that these overseas companies (other than those incorporated in Hong Kong, the PRC, the Cayman Islands or Bermuda) must demonstrate that it is subject to the key shareholder protection standards set out in the Joint Policy Statement by explaining how its domestic laws, rules and regulations, and its constitutional documents, in combination, meet these standards.

The Stock Exchange has approved Australia as one of the acceptable jurisdictions of incorporation and published a Country Guide for Australia which outlines certain Australian laws, regulations and market practices are still applicable or details of any changes in any other Australian laws, regulations and market practices that are relevant to its circumstances. As a company registered in Australia, TOP confirms that following certain amendments made to the Constitution, the protections afforded to its Shareholders in Australia in respect of the matters set out in the Joint Policy Statement will not be materially different from the key shareholder standards set out in the Joint Policy Statement. For further details about the shareholders’ protection standards offered under our Constitution and the Australian laws as required under the Joint Policy Statement, please refer to the section headed “Appendix III — Summary of the Constitution and the Australian Corporations Act” in this prospectus.

HISTORY AND DEVELOPMENT

Overview

Established in 2001 and based in Australia, we are committed to providing quality education with a current focus on higher education courses in Business and Law studies leading to careers in business, law and other relevant professional areas. We trace our origins to October 2001 when Dr. Zhu, being one of our founders, incorporated TOP in Australia, capturing the demand for quality international education in Australia serving overseas students. Prior to founding TOP, Dr. Zhu, with a higher education background which includes academic qualifications from prestigious universities in both China and Australia, such as Fudan University in China and Australian National University in Australia, held key management positions in a number of multinational corporations in various industries, including international trading. With his extensive experience in the Australian market, Dr. Zhu has since, together with our team of experienced senior higher education experts, stewarded our Company to becoming one of the leading private higher education providers in Australia.

During the early stages of our operational history, we offered academic services under the trading name of UNE International Academy for a university in Australia and thereafter we provided a one-year pathway programme which was recognised by Macquarie University and other universities through a diploma accredited by VETAB. In 2005, we began to provide such pathway programs to students at Tsinghua University and Fudan University in China. Since 2009, our Company has been registered with the State Government of New South Wales, Australia as a higher education institute accredited to provide our own Bachelor of International Business, Diploma of Business and Associate Degree of Business courses. Since 2010, TOP has been listed as one of the 42 recognised Australian universities and higher education providers on the JSJ List (教育涉外監管信息網) maintained by the Ministry of Education in China and TOP is the first and the only for profit non-university higher education provider on the list.

Since January 2012, our Company has been placed on the National Register of TEQSA and has been approved by TEQSA for renewal of registration in 2015 for the maximum allowed period of seven years without conditions, and for renewal of CRICOS registration for a maximum allowed period of five years without conditions. In 2015, our Company became the first non-university body to receive accreditation from LPAB for our Bachelor of Laws course. In the same year, TEQSA granted accreditation to our Master of Laws course, which led us to establish the first and only private non-university Law School in Australia. In 2016, PwC Nominees invested in our Company as a substantial Shareholder and PwC Australia entered into the Alliance Agreement with us. Under the Alliance Agreement, PwC Australia agreed to provide a variety of services to help expand our academic courses and non-academic programs and we received rights to co-brand our business, programs and services with PwC Australia. As at the Latest Practicable Date, the investment by PwC Nominees in our Company is the only shareholding directly or beneficially held by PwC Australia in a higher education organisation.

HISTORY, REORGANISATION AND COMPANY STRUCTURE

Our Key Milestones

A summary of our Company's key development milestones is set out below:

<u>Year</u>	<u>Milestone event</u>
2001	● TOP was incorporated
2003	● TOP established the UNE International Academy in which TOP participated by forging international relations with China through providing students in China with foundation programs, and intensive English programs with NEAS accreditation
2005	● TOP was registered with VETAB as a Registered Training Organization (RTO) to provide accredited vocational training diploma in business. We provided specified degrees as articulation pathways to selected universities in Australia such as Macquarie University, which recognised the courses offered by TOP as part of their course accreditation
2009	● TOP was granted registration as a higher education institute and commenced the offering of higher education qualifications at the Bachelor's level
	● TOP withdrew its registration from VETAB and NEAS
2010	● TOP was recognised by Ministry of Education of China as one of the 42 recognized Australian universities and higher education providers on the JSJ List (教育涉外監管信息網). TOP is the first and the only Australian for profit non-university higher education provider on the list
2011	● TOP was approved by the Federal Government of Australia as a "FEE-HELP provider" which allows eligible domestic students to enjoy the Government's higher education financial assistance
2012	● Under the TEQSA Act 2011, TEQSA started up regulatory functions since 29 January 2012, as the national regulator in the Australian higher education sector; accordingly TOP became listed on the TEQSA National Register as a higher education provider

HISTORY, REORGANISATION AND COMPANY STRUCTURE

<u>Year</u>	<u>Milestone event</u>
2013	<ul style="list-style-type: none">• TEQSA accredited TOP's Bachelor of Laws course (subject to LPAB accreditation), which is the first time that an Australian private non-university provider has received accreditation for a higher education degree in the Law discipline
2015	<ul style="list-style-type: none">• TEQSA granted TOP the renewal of registration for the maximum allowed period of seven years without conditions• TEQSA granted TOP the renewal of its CRICOS registration for the maximum allowed period of five years without conditions• TOP set up TOP Law being the first and only private non-university law school in Australia, as an academic division of the Institute• TOP was included in the OCSC list of recognised Australian universities and higher education institutes by the Thai government
2016	<ul style="list-style-type: none">• A subscription agreement was entered into between PwC Nominees and TOP, pursuant to which PwC Nominees (which is wholly beneficially owned by PwC Australia) subscribed for a total of 132,354 Shares representing 15% of the then total issued share capital of TOP. Please refer to the section headed “— The First Round Pre-IPO Investment” below for further details• An Alliance Agreement was entered into between PwC Australia and TOP. Under the Alliance Agreement, PwC Australia agreed to provide a variety of services to help expand our academic courses and non-academic programs, and we received rights to co-brand our business, programs and services with PwC Australia• TOP submitted its application to TEQSA in December for Self-Accrediting Authority (partial) in the broad field of Management and Commerce up to AQF level 9 Master courses

HISTORY, REORGANISATION AND COMPANY STRUCTURE

OUR SHAREHOLDERS

The details of our Shareholders as at the Latest Practicable Date, together with their respective shareholding percentages and background, are set out below:

Name of Shareholder	Number of Shares held in TOP ⁽¹⁾	Approximate shareholding percentage	Connected Person	Background
<i>Controlling Shareholders Group⁽²⁾</i>				
Dr. Zhu	113,698	12.06%	Yes	Chairman of our Board, chief executive officer and executive Director, also a Pre-IPO Investor
Mr. Yang	75,001	7.96%	Yes	Mr. Yang is an individual investor investing in his personal capacity and was a Director
Billion Glory	29,762	3.16%	Yes	Billion Glory is wholly-owned by Mr. Yang, also a Pre-IPO Investor
Tristar United	75,001	7.96 %	Yes	Tristar United is principally engaged in investing in education sector
Mr. Lee	75,001	7.96 %	Yes	Our non-executive Director
Mr. Wang	58,191	6.17%	Yes	Mr. Wang is an individual investor investing in his personal capacity, also a Pre-IPO Investor
<i>Other Pre-IPO Investors</i>				
Xinjiang Guoli	175,590	18.63%	Yes	Xinjiang Guoli is principally engaged in investments of unlisted and listed securities, a substantial Shareholder
PwC Nominees	132,354	14.04%	Yes	PwC Nominees is a nominee of PwC Australia and is wholly beneficially owned by PwC Australia
Loyal Creation	112,048	11.89%	Yes ⁽⁴⁾	Loyal Creation is principally engaged in the business of investment holding, a substantial Shareholder
G&H Partners	29,714	3.15%	No	G&H Partners is principally engaged in the business of investment holding and is an Independent Third Party
Mr. Liu	6,000	0.64%	No	Mr. Liu is an individual investing in his personal capacity and was a Director
Third Round Pre-IPO Investors ⁽³⁾	60,154 ⁽³⁾	6.38%	No ⁽⁵⁾	For details of the Third Round Pre-IPO Investors, please refer to the section below headed “Our Pre-IPO Investments — The Third Round Pre-IPO Investment”
Total	942,514	100%		

HISTORY, REORGANISATION AND COMPANY STRUCTURE

Notes:

1. Unless otherwise stated, this refers to ordinary shares of TOP and assumes that the completion of the share split has not taken place. Please refer to the paragraph headed “— Reorganisation” of this section for further details on the share split.
2. The members of the Controlling Shareholders Group are parties acting in concert and on 13 October 2017, they entered into a confirmation deed to, among others, confirm that they have been acting together with an aim to achieving decisions at general meetings of our Company on a unanimous basis. A majority of the members of the Controlling Shareholders Group are the founding Shareholders, namely Dr. Zhu, Mr. Lee, Mr. Yang and Mr. Wang who have been the Shareholders since the date of incorporation of our Company or investors who had invested in our Company at an early stage. For further details, please refer to the section below headed “— Confirmation Deed”.
3. The Shares were converted from Class A Shares held by the Third Round Pre-IPO Investors on 24 April 2018. The details of Shares held by each of the Third Round Pre-IPO Investors are:
 - Kai Zhang (10,488 Shares);
 - TD Seymour Pty Ltd (ACN 609 660 139) (as trustee for the TD Seymour Milne Trust with two shareholders being Danielle Olivia Seymour and Thomas Richard Seymour who each hold 50% of the share capital of TD Seymour Pty Ltd) (10,504 Shares);
 - Caves Kumar and Co Pty Ltd (ACN 606 004 013) (as trustee for Sevac Kumar Trust with the sole shareholder being Cynthia Kumar) (10,266 Shares);
 - New Hampshire Pty Ltd (ACN 103 227 069) (as trustee for LCS Family Trust with the sole shareholder being Catherine Jane Sayers) (10,026 Shares);
 - The Hayden Scott/Capital Custodians Pty Ltd (ACN 129 496 671) Partnership (as trustee for the Chalmers Family Trust with the sole shareholder being James Alistair Chalmers) (5,897 Shares);
 - M & S McGrath Investments Pty Ltd (ACN 161 365 082) (as trustee for the M&S McGrath Family Trust with two shareholders being Michael Patrick McGrath and Sandy Laine McGrath who each hold 50% of the share capital of M&S McGrath Investments Pty Ltd) (5,897 Shares);
 - QS5 Pty Limited (ACN 609 732 167) (as trustee for RHC Trust with the sole shareholder being Peter Calleja) (3,538 Shares); and
 - Carter Oaktree Pty Limited (ACN 609 732 112) (as trustee for the 8 Track Family Trust with two shareholders being Christopher John McLean and Nadine Louise Mclean who each hold 50% of the share capital of Carter Oaktree Pty Limited) (3,538 Shares).
4. Loyal Creation will cease to be our connected person upon Listing.
5. Save and except Thomas Richard Seymour, our non-executive Director and Kai Zhang, the alternate Director of Thomas Richard Seymour, who are our connected persons, the other Third Round Pre-IPO Investors are not connected persons of our Company.

HISTORY, REORGANISATION AND COMPANY STRUCTURE

OUR CORPORATE DEVELOPMENT

Our Company was incorporated on 2 October 2001 under the laws of Australia with limited liability under the name of “Top Education Group Pty Ltd”. The primary business activities of our Company are the provision of higher education services and qualifications. On 12 October 2017, our Company was converted into a public company limited by shares under the laws of Australia and our Company was renamed “Top Education Group Ltd” with immediate effects on the date of conversion.

As at the Latest Practicable Date, our Company did not have any subsidiaries. We carry out our operational functions in New South Wales, Australia. The details and information of our Company and its corporate development history are set out below.

Throughout our operational and business history, our Company has witnessed numerous changes to our share capital (including the issue of new Shares and transfer of existing Shares), a summary of which is set out in the table below:

<u>Date of allotment/ transfer</u>	<u>Nature</u>	<u>Number and classes of Shares</u>	<u>Total consideration</u>
2/10/2001	Issue and allotment of founding Shares to each of Dr. Zhu, Mr. Lee, Mr. Yang, Mr. Wang, John Wuyi Zhuang and Pu Hua International Development Ltd (HK)	6 ordinary Shares (1 to each Shareholder)	AUD\$6
22/1/2002	Issue and allotment of Shares to each of Dr. Zhu, Mr. Lee, Mr. Yang and Mr. Wang	200,000 ordinary Shares (50,000 to each Shareholder)	AUD\$200,000
18/7/2002	Issue and allotment of Shares to each of Dr. Zhu, Mr. Lee, Mr. Yang, and Mr. Wang and Tristar United	300,000 ordinary Shares (50,000 to each of Dr. Zhu, Mr. Lee, Mr. Yang and Mr. Wang and 100,000 to Tristar United)	AUD\$300,000
20/8/2003	Issue and allotment of Shares to each of Mr. Lee, Mr. Yang, Tristar United and Dr. Zhu	250,000 ordinary Shares (50,000 to each of Mr. Lee, Mr. Yang and Tristar United and 100,000 to Dr. Zhu)	AUD\$250,000
18/12/2008 . . .	Transfer of Share from Pu Hua International Development Ltd (HK) to Dr. Zhu	1 ordinary Share	AUD\$100

HISTORY, REORGANISATION AND COMPANY STRUCTURE

<u>Date of allotment/ transfer</u>	<u>Nature</u>	<u>Number and classes of Shares</u>	<u>Total consideration</u>
20/8/2009	Transfer of Share from John Wuyi Zhuang to Dr. Zhu	1 ordinary Share	AUD\$100
9/10/2009	Transfer of Shares from Dr. Zhu to each of Mr. Lee, Mr. Yang and Tristar United	3 ordinary Shares (1 to each transferee)	AUD\$300
26/10/2009	Transfer of Shares from Dr. Zhu, Mr. Lee, Mr. Yang, Tristar United and Mr. Wang to High Summit Holdings Limited (“ High Summit ”)	375,003 ordinary Shares (100,000 from Dr. Zhu, 75,001 from each of Mr. Lee, Mr. Yang and Tristar United, and 50,000 from Mr. Wang)	AUD\$6,243,550
30/5/2016	Issue and allotment of Shares to PwC Nominees	132,354 ordinary Shares	AUD\$5,500,000 Please refer to the section headed “Our Pre-IPO Investments” below
30/6/2016	Transfer of Shares from High Summit to Mr. Wang, Billion Glory and Loyal Creation	150,001 ordinary Shares (8,191 to Mr. Wang, 29,762 to Billion Glory and 112,048 to Loyal Creation)	AUD\$12,600,084
29/7/2016	Transfer of Shares from High Summit to Oriental Scholar	175,590 ordinary Shares	AUD\$14,749,560
7/9/2016	Transfer of Shares from High Summit to Dr. Zhu	13,698 ordinary Shares	AUD\$1,150,632
7/9/2016	Transfer of Shares from High Summit to G&H Partners and Mr. Liu	35,714 ordinary Shares (29,714 to G&H Partners and 6,000 to Mr. Liu)	AUD\$2,999,976
5/5/2017	Transfer of Shares from Oriental Scholar to Xinjiang Guoli	175,590 ordinary Shares	AUD\$14,749,560
26/5/2017	Issue and allotment of Class A Shares to the Third Round Pre-IPO Investors	60,154 Class A Shares	AUD\$2,500,000

HISTORY, REORGANISATION AND COMPANY STRUCTURE

CONFIRMATION DEED

Dr. Zhu and other members of the Controlling Shareholders Group, namely Mr. Yang, Tristar United, Mr. Lee, Mr. Wang and Billion Glory, have been acting together with an aim to achieving decisions on a unanimous basis in terms of their exercise of voting rights at general meetings of our Company, and the other members of the Controlling Shareholders Group have been actively following the lead of Dr. Zhu in reaching concerted voting decisions on matters and resolutions put to discussion at shareholders' meetings of our Company since they became interested in the share interest of our Company. On 13 October 2017, all members of the Controlling Shareholders Group entered into a confirmation deed to confirm the above arrangement and as a result, the Controlling Shareholders Group held approximately 45.27% of the total share capital of our Company as at the Latest Practicable Date. A majority of them became our Shareholders since 2002. Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into consideration any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme), the Controlling Shareholders Group will in aggregate hold approximately 33.95% of the total share capital of our Company.

OUR PRE-IPO INVESTMENTS

Our Company had, throughout the Track Record Period, undergone three rounds of pre-IPO investments. The completion dates of each of the three series of Pre-IPO Investments (with investment monies irrevocably settled) are set out below:

First Round Pre-IPO Investment	30 May 2016
Second Round Pre-IPO Investments	June 2016 to May 2017
Third Round Pre-IPO Investment	26 May 2017

(a) The First Round Pre-IPO Investment

On 27 April 2016, TOP and PwC Nominees entered into a subscription agreement pursuant to which PwC Nominees agreed to subscribe for a total of 132,354 Shares in the share capital of our Company, representing approximately 15% of the then total number of issued Shares (as enlarged by the issue of the subscription shares at the time) at the subscription price of AUD\$41.56 per Share.

Information of the First Round Pre-IPO Investment is set out below:

Name of investor:	PwC Nominees
Number of Shares subscribed:	132,354 ordinary Shares
Date of allotment:	30 May 2016

HISTORY, REORGANISATION AND COMPANY STRUCTURE

Amount of consideration paid:	AUD\$5,500,000 (of which AUD\$2,500,000 was satisfied by cash and AUD\$3,000,000 was satisfied by crediting the same amount with PwC Nominees in favour of TOP for TOP to use and apply to pay for the professional services provided by PwC Australia under the Alliance Agreement (“ Services Allowance ”))
Cost per Share:	AUD\$41.56 per Share (equivalent to AUD\$0.02 per Share upon completion of the share split on 24 April 2018)
Consideration basis:	Determined based on arm’s length negotiations between the parties with reference to the latest available financial results of TOP at the time when the above subscription agreement was entered into
Payment date:	Our Company received the cash consideration of AUD\$2,500,000 on 30 May 2016; the Services Allowance was credited on 27 May 2016
Discount to the Offer Price of HK\$0.32 (being the mid-point of the Offer Price range stated in this prospectus):	Approximately 62.5%
Use of proceeds:	AUD\$2.5 million of the cash proceeds generated from the First Round Pre-IPO Investment had been used as at the Latest Practicable Date, of which AUD\$2.12 million was used to pay for part of the listing expenses of our Company and AUD\$0.38 million was used to purchase property, plant and equipment of our Company.
Strategic benefits:	<p>A strategic alliance arrangement between TOP and PwC Australia involves the following strategic benefits to TOP:</p> <ul style="list-style-type: none">(a) TOP and PwC Australia working together to jointly grow and promote TOP’s business including the development of the SCDP, online education initiatives and executive education programs; and(b) PwC Australia allowing TOP to co-brand at the institutional level “Top Education in alliance with PwC” (or words to a similar effect) and to co-brand its executive education programs which are co-developed with PwC Australia.

HISTORY, REORGANISATION AND COMPANY STRUCTURE

(b) The Second Round Pre-IPO Investments

On 26 October 2009, Dr. Zhu, Mr. Lee, Mr. Yang, Tristar United and Mr. Wang transferred a total of 375,003 Shares in the share capital of TOP to High Summit. From June to August 2016, High Summit entered into various share transfer agreements with Loyal Creation, Billion Glory, Mr. Wang, Oriental Scholar, Dr. Zhu, G&H Partners, and Mr. Liu, respectively, pursuant to which High Summit transferred a total of 375,003 Shares in the share capital of TOP to these parties, amounting to 42.5% of the total number of Shares at the time the transfers were all completed at the transfer price of AUD\$84 per Share, details of which are set out below. High Summit ceased to be a controlling shareholder of our Company on 30 June 2016 upon the completion of the transfer of such number of Shares to Loyal Creation, Billion Glory and Mr. Wang as set out below. Upon completion of the transfers in September 2016, High Summit ceased to hold any Shares.

Information of the Second Round Pre-IPO Investment is set out below:

<u>Name of investors</u>	<u>Number of Shares involved</u>	<u>Date of share purchase agreement</u>	<u>Date of transfer</u>
Loyal Creation	112,048	22 June 2016	30 June 2016
Billion Glory	29,762	27 June 2016	30 June 2016
Mr. Wang	8,191	24 June 2016	30 June 2016
Oriental Scholar ⁽¹⁾	175,590	28 July 2016	29 July 2016
Dr. Zhu	13,698	29 August 2016	7 September 2016
G&H Partners	29,714	29 August 2016	7 September 2016
Mr. Liu	6,000	29 August 2016	7 September 2016

Note:

- (1) Oriental Scholar subsequently transferred its entire shareholding in TOP to Xinjiang Guoli on 5 May 2017 with identical terms pursuant to prior arrangements between them. The transfer was completed with the payment made on 5 May 2017.

Further details of the Second Round Pre-IPO Investments are set out below:

Amount of consideration paid:	AUD\$31,500,252 in aggregate
Cost per Share:	AUD\$84 per Share (equivalent to AUD\$0.04 per Share upon completion of the share split on 24 April 2018)
Consideration basis:	Determined based on arm's length negotiations between the parties with reference to, among other factors, the latest available financial results of TOP at the time when the relevant share transfer agreement was entered into and the future growth potential of TOP

HISTORY, REORGANISATION AND COMPANY STRUCTURE

- Payment date:**
- 28 June 2016 in respect of the share transfers from High Summit to Loyal Creation and Mr. Wang;
 - 29 June 2016 in respect of the share transfers from High Summit to Billion Glory and Oriental Scholar;
 - 30 May 2016 and 1 September 2016 in respect of the share transfers from High Summit to Dr. Zhu; and
 - 2 September 2016 and 5 September 2016 in respect of the share transfers from High Summit to G&H Partners and Mr. Liu, respectively.

Discount to the Offer Price of HK\$0.32 (being the mid-point of the Offer Price range stated in this prospectus): Approximately 21.9%

Further details of the transfer of Shares from Oriental Scholar to Xinjiang Guoli are set out below:

- Amount of consideration paid:** AUD\$14,749,560 in aggregate
- Cost per Share:** AUD\$84 per Share (equivalent to AUD\$0.04 per Share upon completion of the share split on 24 April 2018)
- Consideration basis:** Determined based on arm's length negotiations between the parties and on the same basis when Oriental Scholar purchased 175,590 Shares from High Summit under the Second Round Pre-IPO Investments
- Payment date:** 5 May 2017
- Discount to the Offer Price of HK\$0.32 (being the mid-point of the Offer Price range stated in this prospectus):** Approximately 21.9%

(c) The Third Round Pre-IPO Investment

Between 26 April 2017 and 27 April 2017, the Third Round Pre-IPO Investors applied to TOP to subscribe for a total of 60,154 Class A Shares, representing approximately 6.38% of the total number of Shares in the issued share capital of TOP (including ordinary and Class A Shares and as enlarged by the issue of the Class A Shares at the time) at the subscription price of AUD\$41.56 per Class A Share.

HISTORY, REORGANISATION AND COMPANY STRUCTURE

Information of the Third Round Pre-IPO Investment is set out below:

Name of investor:	The Third Round Pre-IPO Investors. The Third Round Pre-IPO Investors are partners of PwC Australia or their related trusts who made investments in our Company as personal investments that are unconnected with and independent of PwC Australia and PwC Nominees
Number of Shares subscribed:	60,154 Class A Shares. Pursuant to the terms of the above investment, each Class A Share will be converted into a Share in the share capital of our Company on the earlier to occur of (a) 31 December 2020; (b) five Business Days (being days on which banks are open for general banking business in Sydney, excluding Saturdays, Sundays or public holidays in Sydney) prior to the issue of this prospectus; or (c) such earlier date determined by our Board in good faith to facilitate the Listing or the sale of all or substantially all of the business and assets of TOP to a bona fide third party
Date of allotment:	26 May 2017
Amount of consideration paid:	AUD\$2,500,000
Cost per share:	AUD\$41.56 per Class A Share (equivalent to AUD\$0.02 per Share upon completion of the share split on 24 April 2018)
Consideration basis:	Determined based on arm's length negotiations between the parties with reference to the estimated equity value of TOP based on the valuation report dated 19 April 2017 issued by an independent valuer
Payment date:	24 May 2017 for the subscription of New Hampshire Pty Ltd; 25 May 2017 for the subscriptions of Kai Zhang and QS5 Pty Limited; 26 May 2017 for the subscription of M & S McGrath Investments Pty Ltd; 29 May 2017 for the subscription of Carter Oaktree Pty Limited; 31 May 2017 for the subscription of TD Seymour Pty Ltd and Caves Kumar and Co Pty Ltd; and 31 May 2017 and 1 June 2017 for The Hayden Scott/Capital Custodians Pty Ltd Partnership
Discount to the Offer Price of HK\$0.32 (being the mid-point of the Offer Price range stated in this prospectus):	Approximately 62.5%
Use of proceeds:	AUD\$1.62 million of the cash proceeds generated from the Third Round Pre-IPO Investment had been used as at the Latest Practicable Date to pay for part of the listing expenses of our Company.

HISTORY, REORGANISATION AND COMPANY STRUCTURE

Strategic benefits

Our Board implemented the Third Round Pre-IPO Investment with a view to broadening and diversifying our Company's shareholders' base

SPECIAL RIGHTS AND OBLIGATIONS PRIOR TO LISTING

Pursuant to the Shareholder's Deed, the following special rights were granted to our Shareholders which will terminate upon Listing:

(a) New Issue Pre-emption Rights

TOP granted all its Shareholders a right of first refusal to subscribe for, on a pro-rata basis, any new Shares or securities which TOP from time to time proposes to issue.

(b) Share Transfer Pre-emption Rights

TOP granted all its Shareholders a right of first refusal to purchase any Shares that an existing Shareholder proposes to dispose of.

(c) Tag Along Rights

TOP granted all its Shareholders a right to participate in a disposal (by one or more shareholders) of 10% of the Shares then in issue to the same third party on the same terms and manner as the disposal.

(d) Right to Purchase Defaulter's Shares

TOP granted all its Shareholders a right to exercise an option to purchase a Shareholder's Shares in the same manner as (b) above if certain events of default occur involving such Shareholder.

(e) Nomination Rights

Dr. Zhu, Mr. Yang, Mr. Wang, Mr. Lee and Tristar United, being the members of the Controlling Shareholders Group, collectively have a right to collectively appoint (and remove) three Directors to our Board. Xinjiang Guoli may appoint (and remove) one Director to our Board and PwC Nominees may appoint (and remove) one Director to our Board. These appointed Directors are entitled to exercise the percentage of votes cast proportionate to the shareholding of our Shareholders who appointed them.

(f) Information Rights

Prior to issuing any new securities to certain parties, registering a transfer of securities, appointing a Director to the Board or entering into a business collaboration or marketing arrangement with another party, TOP must inform PwC Nominees and provide PwC Nominees with all the relevant audit independence compliance information. Failure to provide information to enable PwC Australia to determine whether an independence issue arises may entitle PwC Nominees to sell its Shares to the other Shareholders.

HISTORY, REORGANISATION AND COMPANY STRUCTURE

(g) Shareholder Approval of Registration of New Shareholder and Non-registration of Competitor

TOP cannot register a person as a Shareholder if (i) that person is a competitor of the Company or (ii) that person is not approved by a special resolution of Shareholders (over 75% vote).

All the above special rights will be terminated upon Listing. However, as a party to the Alliance Agreement, PwC Australia continues to have various rights including to receive information and to withhold consent to the provision of services by TOP of those services which are or may not be in compliance with audit independence requirements. In addition, PwC Australia can terminate its participation in the Alliance Agreement for reasons relating to audit independence.

PUBLIC FLOAT

Dr. Zhu, Billion Glory and Mr. Wang, as some of our Pre-IPO Investors, are also members of the Controlling Shareholders Group. In addition, each of Xinjiang Guoli and PwC Nominees, which are also our Pre-IPO Investors, will be a substantial Shareholder upon Listing. Mr. Thomas Richard Seymour is our non-executive Director and Mr. Kai Zhang is an alternate Director for Mr. Thomas Richard Seymour, and are both part of the Third Round Pre-IPO Investors. Accordingly, the Controlling Shareholders Group, Mr. Thomas Richard Seymour, Mr. Kai Zhang and the above Pre-IPO investors are core connected persons of our Company and their interests in our Company will not be counted towards our public float for the purpose of Rule 8.08 of the Listing Rules.

LOCK-UP

All Pre-IPO Investors (except for Dr. Zhu, Billion Glory and Mr. Wang who are members of the Controlling Shareholders Group) have undertaken to our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) that, commencing on the date of this prospectus and ending on the date which is six months from the Listing Date, they will not sell or otherwise transfer or dispose of any Share or other securities of our Company, save and except that the lock up on PwC Nominees and the Third Round Pre-IPO Investors shall not apply if PwC Nominees or any Third Round Pre-IPO Investor (as appropriate) notifies the Company and the Joint Global Coordinators in writing that it is obliged to dispose of its Shares for reasons relating to audit independence at least three business days prior to such intended disposal of its Shares.

Each of the members of the Controlling Shareholders Group, namely Dr. Zhu, Mr. Yang, Tristar United, Mr. Lee, Mr. Wang and Billion Glory, have undertaken to our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) that he/it will not, among others, sell or otherwise transfer or dispose of any Shares for a period of 12 months after the Listing Date. Please refer to the section headed “Underwriting — Underwriting Arrangements and Expenses — Undertakings” in this prospectus for details.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor has confirmed that the Pre-IPO Investments are in compliance with the Stock Exchange’s interim guidance on pre-IPO investments (HKEX-GL-29-12) issued on 13 October 2010 and guidance letter HKEX-GL-43-12 issued on 13 October 2012 and updated in July 2013 and March 2017.

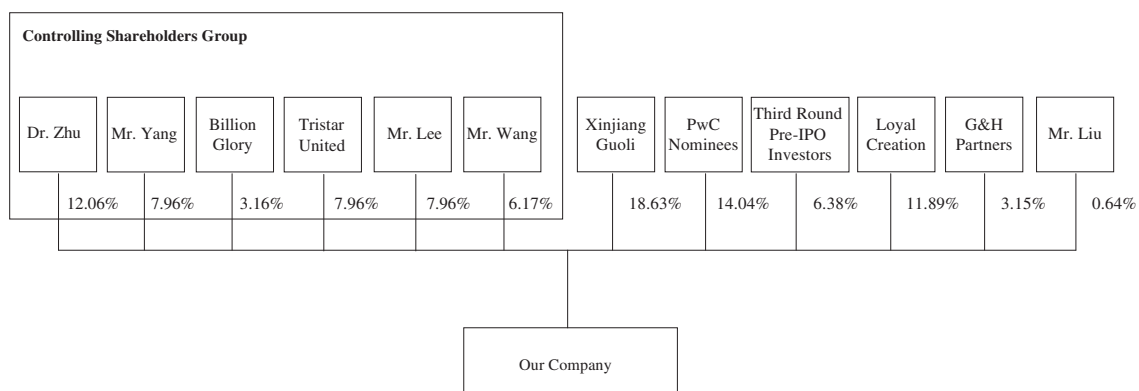
HISTORY, REORGANISATION AND COMPANY STRUCTURE

REORGANISATION

In contemplation of the Listing, we underwent a reorganisation by effecting a share split on 24 April 2018 pursuant to which each Share was subdivided and designated as 2,000 fully paid Shares in the capital of our Company. Immediately after the share split, the issued share capital of our Company became 1,885,028,000 Shares.

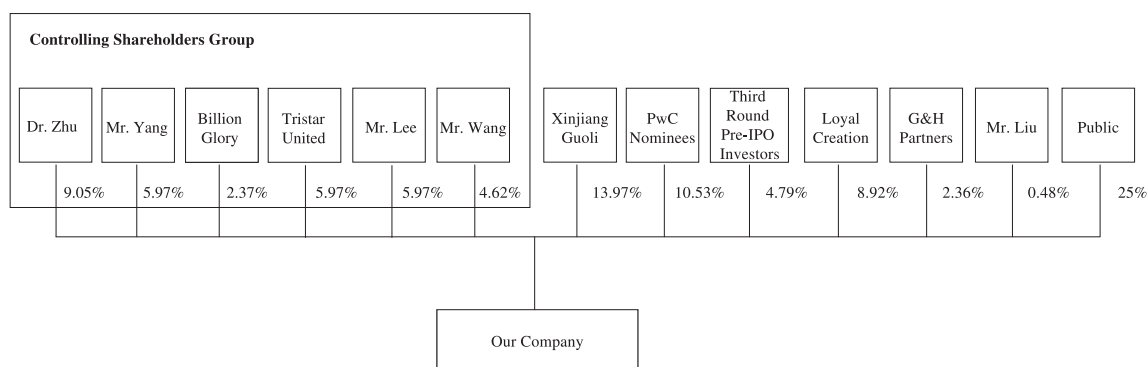
CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the shareholding structure of our Company immediately before the completion of the Global Offering:



CORPORATE STRUCTURE IMMEDIATELY AFTER THE GLOBAL OFFERING

The chart below sets out the shareholding structure of our Company immediately after the Global Offering (assuming the Over-allotment Option is not exercised and without taking into consideration any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme):



Note: The Shares held by Loyal Creation, G&H Partners and Mr. Liu are counted towards the public float pursuant to Rule 8.24 of the Listing Rules. Further, as TD Seymour Pty Ltd is owned as to 50% by Thomas Richard Seymour, our non-executive Director and Kai Zhang is the alternate director of Thomas Richard Seymour, TD Seymour Pty Ltd and Kai Zhang are our core connected persons under the Listing Rules. Accordingly, save as to the Shares held by TD Seymour Pty Ltd and Kai Zhang in our Company, all the Shares held by other Third Round Pre-IPO Investors are counted towards public float pursuant to Rule 8.24 of the Listing Rules.

OVERVIEW

We are a private higher education provider based in Sydney, Australia. We currently have two academic divisions, TOP Business and TOP Law, with a total of 23 accredited undergraduate and postgraduate courses as at 31 October 2017. According to Ipsos, in 2015, we ranked 14th in terms of student enrolment by EFTSL among private NUHEPs in Australia and ranked third with a market share of 7.8% in terms of EFTSL of international students studying in Australia among business-focused private NUHEPs which were operational and accredited as at the Latest Practicable Date. For more information on our market position, see the section headed “Industry Overview” in this prospectus. Since our establishment in 2001, we have been committed to offering quality education provision, now focusing on higher education courses in business and law, preparing students for careers in business, law and other relevant professional areas. Our motto is “*Capability, Integrity, Responsibility and a Winning Alliance*”.

As we position our Institute to serve the international education market, our student population comprises mostly international students from China. During the Track Record Period, students from China constituted more than 86% of our student headcount. We are the first and only for-profit non-university higher education provider listed on the JSJ List of 42 recognised Australian universities and higher education providers, which allows our awards to be recognised by the Ministry of Education of China and increases awareness and interest in our Institute in China.

In May 2016, PwC Nominees became a substantial shareholder in TOP and PwC Australia entered into a long term Alliance Agreement with us. Under the Alliance Agreement, PwC Australia has agreed to provide a variety of services to help expand our academic courses and non-academic programs, and we received the right to co-brand our business, programs and services with PwC Australia. As at the Latest Practicable Date, the investment by PwC Nominees in our Company is the only shareholding directly or beneficially held by PwC Australia in a higher education organisation. We have already begun working with PwC Australia on a range of projects including the creation of a VR application to teach accounting fundamentals, establishing the SCDP program, offering corporate training programs, and providing work experience opportunities for our students with PwC Australia. PwC Australia assists us with marketing and promoting our business and products, including attending certain student promotional events in both Australia and China, and allowing us to use their world-class facilities in Sydney to host our graduation ceremony in August 2017.

During the Track Record Period, we recorded continued growth in terms of both student number and revenue. We generally measure our student number with reference to EFTSL. For the years ended 30 June 2015, 2016 and 2017, we recorded 861, 949 and 1,036 EFTSL, respectively. For the years ended 30 June 2015, 2016 and 2017, we generated revenue of AUD\$17.1 million, AUD\$17.4 million and AUD\$21.1 million, respectively, and profit for the year of AUD\$4.8 million, AUD\$3.4 million and AUD\$4.6 million, respectively. For the four months ended 31 October 2017, we recorded 836 EFTSL, revenue of AUD\$9.0 million and profit for the period of AUD\$1.1 million.

COMPETITIVE STRENGTHS

As an Australian higher education provider with a substantial Chinese student population, we are well-positioned to seize opportunities from both Australia and China in the international higher education environment

We were first established in 2001 and have enjoyed the benefits of developments in the Australian education sector and in China's policies towards opening up education, particularly as most of our students are international students, with a large majority of our students coming from China.

Beginning in the late 1990's and early 2000's, Australia has made significant developments in its education sector, particularly with respect to international education. Currently, Australian universities and higher education providers generally charge international students tuition fees which are higher than domestic students because tuition fees for domestic students are limited by the Australian government's funding policies in accordance with government regulations. According to Ipsos, on average, international tuition fees are approximately 9% higher than domestic tuition fees at private, for-profit higher education providers in Australia in 2015. Additionally, in 2017, the Australian government reduced its higher education funding support to domestic students, thus further motivating the higher education sector to increase its intake of and fees for international students. Increased fees by Australian universities and other higher education providers allow us room to increase fees while still remaining competitive.

The drive to attract international students has resulted in international education becoming the third largest export industry in Australia. Education-related personal travel services exports in Australia grew at a CAGR of 12.9% from AUD\$16.8 billion in 2012 to AUD\$30.9 billion in 2017, according to Ipsos. In 2016, the Australian government simplified the student visa process in general and lowered China's "country risk level" thus allowing students from China to use the most streamlined visa process. These changes are helpful in increasing the pool of Chinese and international students coming to Australia, thus increasing the demand for higher education providers including our Institute.

Because we have a substantial number of students from China and conduct programs with Chinese higher education providers, we have been benefited from certain Chinese government policies as well. For the last 20 years, China has been implementing reforms and opening-up policies in general, including with respect to education. Currently, Australia is the second most popular destination country for Chinese students studying internationally, after the US according to Ipsos. Between 2012 and 2016, the number of Chinese students pursuing tertiary education in Australia has increased at a CAGR of 4.6% according to Ipsos. In order to distinguish ourselves from other Australian higher education providers and benefit from growing Chinese interest in Australian education, we have strived to make Chinese students feel welcome at our Institute and to build relationships with Chinese institutions.

We are included on the JSJ List of 42 recognised Australian universities and higher education providers issued by the Ministry of Education of China. Only awards granted by higher education providers on this list for Australia will be officially recognised in China for further study or for employment at government institutions. We are the first, and we remain the only, for-profit non-university higher education provider on that list, which boosts our reputation and recognition among Chinese students and therefore we believe we are well-positioned to take advantage of the growing number of Chinese students studying abroad.

Moreover, we have made efforts to build relationships directly with Chinese education institutions, such as our pathway program with GUFU, which received approval from the Ministry of Education in China. This program allows students to study three years at GUFU and then continue on to study at our Institute to graduate with a Bachelor degree from our Institute. We also have other collaborations with prestigious Chinese universities, which help to further build our reputation in China, such as The Belt and Road Development Abroad training programs for which we have signed agreements with Fudan University and Tsinghua University to provide. Additionally, we plan to acquire or to invest in an educational group or institution in China which may also act as a new source of students for our Institute after Listing. These efforts help promote our Institute to local students and schools in China and serve as potential channels to attract new students to our Institute which we believe will give us an advantage over competing higher education providers in Australia which have not fostered such direct ties, particularly given the recognitions we have received from Chinese government authorities as noted above. Recently in February 2018, we received approval to expanding our capacity number for international students to 1,500 from 920. According to Ipsos, in 2015, we ranked third with a market share of 7.8% in terms of EFTSL of international students studying in Australia among business-focused private NUHEPs which were operational and accredited as at the Latest Practicable Date. We believe our recent increased capacity number for international students as well as the abovementioned efforts in China will help us to increase our international student population and take advantage of the growing trend of Chinese students studying in Australia, which eventually will help us strengthen or even increase our market share.

We are devoted to delivering quality higher education courses and excellent student experience

We have expanded our higher education offerings from a single Bachelor award course in 2009 to 23 accredited higher education courses across a range of disciplines as at 31 October 2017. We seek to not just meet regulatory requirements but also set our students on pathways to successful professional and academic careers by providing quality higher education courses and an excellent student experience.

Under the Australian legislative and regulatory framework, higher education providers are subject to statutory registration with TEQSA and those providers who also engage in international student education, including us, are also subject to statutory registration on CRICOS. Please see the section headed “Regulatory Overview” in this prospectus for more information. Requirements under the TEQSA Act and the HES Framework set high standards for institutions applying for registration as a higher education provider and as of July 2017, TEQSA has registered only 166 public and private higher education providers (including Australian universities). The registration process is rigorous to complete. According to the 2015–2016 TEQSA Annual Report, for the year ended 30 June 2016, out of 18 completed assessments for initial registration applications, 11 were withdrawn or cancelled.

In 2015, we obtained our most recent TEQSA and CRICOS registration renewals for the maximum allowed periods of seven years and five years, respectively, and without conditions, demonstrating that we have met the regulatory requirements. When the HES Framework was published in 2015, we devoted significant efforts to ensure that our operations would be in compliance with the new requirements as they became effective. This included mapping out the requirements under the previous 2011 version of the HES Framework against the new 2015 version, briefing our governance and management teams on the new HES Framework requirements, participating in TEQSA’s presentations about the new framework and adapting our governance and management bodies to new requirements, such as setting up a Student Experience Committee and a Student Grievances Committee. Since the HES Framework came into effect

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on 1 January 2017, we have obtained new course accreditations in September 2017 for the maximum allowed period of seven years and without conditions. This indicates that we are able to continue to satisfy updated requirements as they arise. Further, we have not received any notices or enquiries from TEQSA in relation to our compliance with HES Framework since it came into effect on 1 January 2017.

In addition to meeting regulatory requirements, we also design our courses to achieve accreditation with professional bodies, where applicable, so that our students are well-placed to obtain professional qualifications upon graduation from our Institute. For example, our Bachelor and Master level accounting courses are accredited with CPA Australia and CAANZ, which provides students eligibility towards applying for membership with CPA Australia and CAANZ. Our Bachelor of Laws course is accredited by the LPAB which provides our law students a pathway to be admitted into legal practice. We received the first Bachelor of Laws course accreditation for a non-university institution in Australia granted by the LPAB, demonstrating our dedication to providing quality degree courses and education beyond what similar non-university institutions offer.

Despite being a private, non-university higher education provider, some of our key benchmarking metrics are comparable to Australian universities. Our first year bachelor's degree student attrition rate was approximately 15% which was within the first quartile for for-profit NUHEPs and the second quartile for universities. See the section headed "Industry Overview" in this prospectus for more information.

We maintain rigorous policies and procedures with respect to staff recruitment to ensure the quality of our academic staff. Our hiring policy requires that all of our academic staff have obtained the appropriate qualifications. Many of our professors and lecturers have previously taught at Australian universities. When we hire new academic staff, we interview and check references for each candidate. Once hired, we provide induction training and support further academic and professional development opportunities for our academic staff, such as, conferences and scholarly publications. These activities help enhance their scholarship which in turn, help continually advance our Institute's teaching and learning outcomes.

Because we are able to offer quality higher education, we have been able to establish pathway programs with Australian universities, such as the University of Newcastle. Under these programs, students who transfer to these universities are able to have credits recognised for units completed at our Institute towards their university degree. Furthermore, we believe that because we provide quality higher education courses, we have been able to attract students who have already completed degree awards from Australian universities to pursue further education at our Institute. Some students who have completed undergraduate degrees with us have gone on to pursue postgraduate studies at leading Australian universities, including those Group of 8, a group of the top universities in Australia.

We are also committed to providing our students with an excellent overall experience at our Institute. On an institutional level, we have a Student Experience Committee dedicated to enhancing student experience such as providing counselling services, giving academic support including English language skills, study skills and communication skills and providing career advice. Additionally, we are careful to maintain manageable class sizes and, during the Track Record Period, our student to teaching staff ratio in terms of full-time equivalent staff and EFTSL was approximately 35:1 or lower each term.

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We provide for small-group and one-to-one tutorial services to ensure that our students receive adequate academic support. Because we have a high percentage of international students, we also offer academic English and academic skills support services.

We have established a mature and robust mechanism for governance and management, run by experienced and dedicated teams committed to long-term, forward-looking planning

In accordance with Australian regulatory requirements, we have established and maintained distinct governance and management systems. Governance is responsible for overseeing institutional higher education provision while management is responsible for day-to-day administration and operation. These roles are set out below.

Our governance system comprises the Council, the Academic Board and the Academic Board sub-committees. The Council is delegated its authority by our Board and the Council in turn delegates authority to the Academic Board to oversee academic affairs and review academic policies and procedures and report to the Council. The Council and the Academic Board both include 7 external members, which helps to ensure academic independence. Many of the members hold or have held senior positions in universities in Australia and other countries. For example, the Council Chair Emeritus Professor Brian Stoddart was Vice-Chancellor of La Trobe University; Council Member Emeritus Professor Steven Schwartz previously served as vice chancellor of Murdoch University, Brunel University, and Macquarie University; Council Member Professor John Hearn is currently a professor of Physiology at the University of Sydney and Executive Director of Worldwide Universities Network, and previously served as Deputy Vice-Chancellor of the Australian National University and the University of Sydney; and Emeritus Professor Stephen Nicholas, currently a Fellow of the Academy of the Social Sciences in Australia was previously a Pro Vice-Chancellor of the University of Newcastle, a foreign expert for Chinese State Administration of Foreign Expert Affairs and a Tianjin “One-thousand Talent Plan” expert, and now chairs our Academic Board. We are able to benefit from their experience and expertise in academic administration to continually improve our own academic operations and quality.

Additionally, we have a professional and highly qualified executive and management team to operate the day-to-day functions of the Institute, led by founder, executive Director and chief executive officer, Dr. Zhu and assisted by other members of senior management. Dr. Zhu has been dedicated in running the Institute since its inception 17 years ago and has higher education background from prestigious universities in both China (Fudan University) and in Australia (Australian National University) with extensive business experience working with large corporate businesses such as CITIC Australia. Our management system also includes our comprehensive administrative operations covering accounting, human resources, library information resources, IT, marketing, admission and others. For more information, please see the section headed “— Governance and Management”.

Our governance and management systems have been assessed by TEQSA as part of the re-registration process in 2015. The effectiveness of our governance and management systems can be seen in our registration renewals for the maximum allowed periods at that time and without conditions. Our governance and management teams are committed to long-term planning to grow our Institute. In pursuit of that, we lay out five-year long-term strategic plans. Successful implementations of past strategic plans include the launching of law degree courses, setting up pathway programs with universities and institutes in China, and developing our research degree course.

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Moreover, because of our strategic planning, we have been able to achieve strong and stable financial operation and performance. During the Track Record Period, we have never owed loans or debts to banks or external institutions. We benefit from a strong financial model, as students generally pay their tuition fees for the term before the census date for that term. As such, we had trade receivables of nil, nil, AUD\$58,000 and AUD\$33,000 as at 30 June 2015, 2016 and 2017 and 31 October 2017, respectively and recorded net cash generated from operating activities of AUD\$3.9 million, AUD\$5.6 million, AUD\$6.3 million and AUD\$0.5 million for the years ended 30 June 2015, 2016 and 2017 and the four months end 31 October 2017, respectively. We maintained a strict control on our current ratio, which as at 31 October 2017 was 2.9x. Furthermore, we maintain relatively minimal fixed assets, which reduces fixed costs and allows us to respond quickly to changes.

PwC Australia's alliance with us and PwC Nominee's investment enhance our standing, marketing position and future development prospects

In May 2016, PwC Nominees, as a nominee for PwC Australia, invested in TOP as a substantial Shareholder and we entered into a long-term Alliance Agreement with PwC Australia, which focuses on PwC Australia working with us to jointly grow and promote our business. This was a significant milestone in our history, and demonstrates the attractiveness of the Australian higher education sector and specifically our Institute, to companies and potential investors.

We see ourselves and PwC Australia as an excellent strategic fit. Our strong background in business and accounting education, along with our recently founded law school, has strong synergies with PwC Australia's extensive history in business and accounting services, along with their recent growth strategy into the legal services market. PwC Australia also ranked number 1 in "top companies Australians want to work for" according to LinkedIn in 2017. We see the PwC Australia brand as being very attractive to both potential students and prospective corporate training clients, and we believe our co-branding arrangements with PwC Australia will assist us to significantly grow our business and brand.

The Alliance Agreement allows us to publicly use a co-brand "Top Education in alliance with PwC" at an institutional level, and co-brand programs or services that we co-develop together with PwC Australia.

Under the Alliance Agreement to date, we have co-developed several projects, including SCDP, and a VR accounting application. We have also seen 17 of our students take up work experience opportunities at PwC Australia in various teams, and it is currently anticipated that a further 100 students will commence short term placements in 2018. We believe these initiatives greatly assist our student's career readiness when they graduate and make our Institute more attractive to prospective students. We have also built a corporate training program with PwC Australia, which has created a new revenue stream for us.

For more information about our work with PwC Australia and the Alliance Agreement, please see the sections headed "Business Strategies" and "Alliance with PwC Australia and Related Programs" below.

BUSINESS STRATEGIES

Continue to develop our higher education provision in Australia as our core business

I. We endeavour to obtain self-accrediting authority (“SAA”) and eventually private university status

We are committed to developing our higher education provision in Australia as our core business. In December 2016, we submitted our application for partial self-accreditation authority (“SAA”) with TEQSA in the field of education of Management and Commerce, as classified by the Australian Standard Classification of Education, which would cover our TOP Business courses but not our TOP Law courses. We have been in correspondence with and submitting further information to TEQSA regarding our application. While it is difficult to estimate the time required for TEQSA to complete its approval process, we believe such approval process will take more than a year based on our past experience with course accreditation. By obtaining partial SAA in a particular field, we would be able to determine by ourselves whether our courses within that field adequately comply with regulatory standards by submitting for approval with our Academic Board rather than through TEQSA. The course development process and our standards would remain unchanged but the processing time required would be significantly reduced. Obtaining SAA would not only allow us to more efficiently respond to market demand in coursework, but this is also a necessary step towards eventually achieving university status. Under the regulatory framework, once we have had SAA status for five years, we would become eligible to apply for registration as a university college or university of specialisation, subject to also achieving other requirements.

Becoming a university of specialisation in the field of education of Management and Commerce is one of our key priority goals. In order to achieve this, we plan to:

- establish a long-term research foundation to support our own research activities and scholarship and continue to enhance research culture and environment at our Institute;
- design a PhD course to build off of our existing Master of Business Research course;
- bring in more senior academic leaders in the field; and
- continue to improve our Institute overall by further benchmarking against both TEQSA guidance and international university standards based on our memberships in the Association to Advance Collegiate Schools of Business (“AACSB”) in the US and the Higher Education Academy (“HEA”) in the United Kingdom.

II. We plan to further expand our higher education award courses in various fields

While our application for SAA status is pending, we intend to continue developing courses for submission to TEQSA. In October 2017, we received the accreditation from TEQSA for our new Master of Business Administration course. We are also currently developing a Master of Financial Planning course. Furthermore, as our SAA application does not cover law courses, we are also in the process for developing a Juris Doctor course for submission to TEQSA for accreditation in due course. We also consider adding a new field of study to diversify our course offerings, such as IT. We intend to fund the

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expansion of a higher education field with part of the net proceeds from the Global Offering. Diversifying our course offerings could help to attract a new demographic of students as well as increase our visibility and reputation in the higher education sector.

III. We intend to continue expanding our campus premises and student capacity for higher education, subject to regulatory approval

We aim to further increase our student numbers for our degree courses while maintaining adequate staff support and positive student experience. Our capacity for international students is subject to approval by TEQSA. Since February 2018, the approved capacity number for our Institute at our current campus is 1,500 for international students, with the ability to enrol up to 10% more. Additionally, we are considering our options to expand our campus premises. We are seeking possible campus locations in Sydney's central business district to appeal to students who may be more attracted to studying in the city centre. Beyond Sydney, we are investigating opportunities to provide delivery of education in Tasmania, Australia, as the state government of Tasmania is promoting policies for global education to attract international students. Subject to meeting regulatory requirements and approval and expanding our campus premises, we hope to eventually increase our capacity number for international students to 2,000 by 2019.

IV. We have discussed with PwC Australia and together, we intend to leverage our business expertise and resources to jointly contribute to a first class business education capability

We will continue to work with PwC Australia to explore ways to go to market together pursuant to the Alliance Agreement. We will work closely together with PwC Australia on our Master of Business Administration course seeking further synergy between the higher education sector and the professionals/industry.

Expand our reputation, presence and synergies in China to take advantage of China's growing economy and educational opportunities

By further cultivating our reputation and presence in China, we aim to (i) develop a more direct connection to a source of students for our Institute and (ii) create more income streams within China.

Our view is that the relevant regulatory and government policies in China are supportive of Sino-foreign education connections. Currently, we have pathway programs with three higher education providers in China, namely GUFU, Shandong Polytechnic College and Henan Institute of Economics and Trade. Through these programs, students can begin studying in China and then transfer to our Institute to complete their education and receive a bachelor degree from our Institute. Our plan is to further expand these pathway programs to cultivate a wider student base of ourselves as well as to increase our presence and reputation in China.

We also hope to establish closer synergy with various education providers in China including secondary schools, particularly international secondary schools, three-year diploma-granting colleges ("Da Zhuan"), as well as institutes with Bachelor degree programs that specialise in preparing students to pursue higher education studies outside of China. We may even consider the possibility of utilising the proceeds from the Global Offering to invest in a suitable education group in China.

We are also considering leveraging our experience with developing connections with Chinese students and education institutions to expand our international student demographic. In particular, we believe that countries which have been designated as “low risk” under the SSVF scheme and already have a significant number of students travelling to Australia for education could potentially be a good fit, for example Thailand, where we have been recognised on the OCSC list of Australian universities and higher education institutions by the Thai government.

Expand our non-award programs with PwC Australia to supplement our core higher education business

I. Student Career Development Program

Since we entered the Alliance Agreement with PwC Australia in 2016, we have established SCDP, with two cohorts to date. SCDP is a training program, facilitated by PwC Australia representatives, aimed at helping students become more “business ready” as they graduate and enter today’s competitive job market. We co-developed this program with PwC Australia to address a common concern amongst both students and employers, about how to better prepare students to smoothly transition to the professional environment.

We believe that SCDP strengthens our motto of “*Capability, Integrity, Responsibility and a Winning Alliance*” and is attractive to a large number of potential students. We intend to continue improving SCDP for our students and eventually expand SCDP into an independent non-award program for students in universities in China.

II. Corporate Training Programs

We believe that our strengths as a higher education provider combined with our alliance with PwC Australia provide a strong base to significantly grow our new corporate training programs into a profitable revenue stream for our business. Our corporate training programs offer considerable market opportunities, particularly with large Chinese enterprises operating in Australia or The Belt and Road Development Abroad training programs in China. These programs both commenced in the financial year 2017, and we plan to continue growing these programs in the future.

III. Professional Skill Training

We are also considering the possibility of providing a wider range of non-award professional skills and practical training programs in accounting, auditing, taxation, financial advisory, risk management, business transactions and other related fields, which would be taught by our academic staff and PwC Australia representatives. We believe that such non-award programs could cater to a broad potential market, targeting corporate clients.

Because the above non-award programs are not subject to the higher education regulatory framework, we will be able to take different approaches towards growing these non-award programs to create new revenue streams. We may consider establishing a separate subsidiary in due course dedicated to such non-award programs, in order to maintain a distinction from our traditional higher education degree courses. We intend to fund the further development of the above non-award programs from part of the net proceeds from the Global Offering allocated for working capital and general corporate purposes.

Develop our infrastructure and delivery model from traditional methods towards a more updated, digital direction

I. Smart-Campus

Digital learning is an increasing trend in the education sector and we intend to adapt our operations accordingly, leveraging off support from PwC Australia's digital capabilities and services. We intend on investing in updating the digital infrastructure of our facilities to create an integrated smart campus system. We have already begun by testing VR technology as developed by PwC Australia's digital service team, in one of our accounting units to enhance student interest and improve learning outcomes.

II. Non-award online programs

We plan to develop online programs, starting with our SCDP with PwC Australia, as we believe this program has broad market appeal in Australia, China and globally. We have started creating an initial online module for SCDP with PwC Australia and we intend to deliver the program utilising an existing third-party MOOC platform, creating a new revenue stream.

III. Digital student experience centres

To facilitate greater interest in our Institute, we plan to establish student experience centres in China equipped with the latest digital technology aimed at promoting our Institute and brand. We intend to have the student experience centres open not only during normal business hours, but also during evenings and weekends to attract students outside of school hours. Our Directors believe that it is not uncommon for higher education providers outside China to establish marketing offices in China. However, we believe our student experience centres will not only serve as a marketing office providing standard materials such as brochures for our Institute but also as an integrated venue for student outreach, service promotion and brand-building to offer a more fun and engaging interaction with potential students through the use of VR at the centre. We plan to set up each student experience centre with multiple VR rooms, in which we can give groups of students a three-dimensional tour of our campus and facilities and demonstrate examples of actual classes and typical student life at our Institute in VR. Such VR programs would also include showcasing our alliance with PwC Australia by providing a view of the PwC Australia offices in VR and explaining the potential to work there through our work experience placement program. We plan for the VR experience to utilise actual video of these locations, including our campus, to give potential students a realistic view. In addition to using VR, our staff at the student experience centres will explain our course offerings and provide personalized advice and assistance to potential students in relation to studying at our Institute. We believe this kind of interaction will have a positive impact on encouraging potential students to enroll in our Institute as this will be our first major foray in the PRC targeted directly at attracting students from the general public in the PRC. We intend to launch our first student experience centre as a flagship in a first-tier city, such as Shenzhen, and then expand out to five other strategically located cities. We are currently considering potential locations in Beijing, Shanghai, Guangzhou, Zhengzhou, Jining, Nanning, Wuhan, Chongqing, Qingdao and Nanjing.

TOP EDUCATION INSTITUTE

Through our Institute and our two academic divisions, TOP Business and TOP Law, we are committed to providing quality higher education in international business and law studies which can lead to careers in accounting, business, law and other professional areas in the public and private, domestic and international sectors. Historically, our emphasis has been focused on providing undergraduate and postgraduate awards in business studies, including accounting courses accredited by major professional accounting bodies in Australia. In 2015, we established the first and only non-university law school in Australia with a Bachelor of Laws course accredited by the LPAB. We have also received accreditation for our Master of Laws course from TEQSA.

We also seek to strengthen the research capabilities at our Institute. As part of this effort, we have developed a Master of Business Research course and participated in joint research efforts with other institutions, including cooperating with the University of Sydney to provide an academic research scholarship. By increasing our research funding and further promoting our Masters level research course, we aim to develop a strong research culture with a view to continually improving and expanding our higher education offerings and ultimately obtaining the status as a university of specialisation.

Our campus is located in ATP in Sydney. ATP is the site of many diverse and innovative business, education and government institutions and is located approximately 15 minutes away from Sydney's central business district. It includes easy access to various amenities such as recreation areas and cafés. We occupy two sites, namely the Biomedical Building and Bay 16 of the Locomotive Workshop, within ATP, encompassing classrooms, a moot court room, a library, a café and other student facilities, as well

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as offices for our teaching and administrative staff. The map below shows the location of our campus within ATP, solid outlines show our current campus locations and dotted outlines show our lease proposal locations as discussed in the section headed “— Facilities and Equipment — Relocation”:



As at 31 October 2017, we had seven accredited undergraduate courses and 16 accredited postgraduate courses and for the year ended 30 June 2017, we had student enrolment of 1,036 EFTSL. EFTSL is a measurement of student enrolment calculated by dividing the total number of units taken by our students in a given year by 8 (which is the average number of units a single full-time student should take at our Institute in a year). The table below shows a summary of selected operating and financial data for our Institute during the years indicated:

	Year ended 30 June		
	2015	2016	2017
TOP Business			
EFTSL	860.7	932.1	984.5
Revenue from tuition (in AUD\$'000)	14,133	16,089	17,974
TOP Law			
EFTSL	—	16.4	51.0
Revenue from tuition (in AUD\$'000)	—	206	687

Sydney City School of Business

In 2009, we received approval from the state government of New South Wales, Australia to operate as a higher education institute and we began offering our own Bachelor of International Business degree course in 2010. Since then, we have expanded to provide a range of business related accredited undergraduate and postgraduate degree courses. In 2015, we adopted the “Sydney City School of Business” name for our academic division covering higher education courses in the field of Management and Commerce to distinguish from our newly established TOP Law.

Award courses

Undergraduate

For our undergraduate courses, students have the option of applying for either diploma courses, associate degree courses, or bachelor degree courses. Diploma students have the option of continuing on toward a higher degree course, with credit given if they successfully complete their current diploma or associate degree. Bachelor degree students have the option of applying for early graduation with a diploma or an associate degree after their first or second years of study, respectively.

During the 2017 academic year, TOP Business offered the following six undergraduate courses:

Business

- *Bachelor of International Business:* The Bachelor of International Business is a three-year course designed for students wishing to pursue accounting and business careers in an international context. Students have the option of pursuing one of two streams: general or accounting major. Our Bachelor of International Business course with the accounting specialisation stream has been accredited by CPA Australia and CAANZ. Graduates with the accounting major are eligible to apply for associate membership of CPA Australia and will satisfy the academic requirements for entry to the CAANZ Program in Australia. This course is also accredited by the Institute of Certified Management Accountants (“CMA”). Students may apply for early graduation after the first year to receive the Diploma of Business or after the second year to receive the Associate Degree of Business.
- *Associate Degree of Business:* Students who successfully complete the first two years of the Bachelor of International Business degree course may apply for early graduation to receive this associate degree.
- *Diploma of Business:* This is a one-year course designed for students who wish to pursue a career in the global business environment. Students who complete the Diploma of Business may then choose to continue in the second and third years of our Bachelor of International Business degree course, conditional on completion of the diploma at an appropriate level.

Applied Finance and Accounting

- *Bachelor of Applied Finance and Accounting:* This degree is a three-year course designed to prepare students for the professional fields of finance and accounting. The degree is structured with applied finance as the core discipline and with accounting and accounting

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related topics covered in both core and elective units. This course is accredited by CPA Australia and CAANZ. Students may apply for early graduation after the first year to receive the Diploma of Applied Finance and Accounting or after the second year to receive the Associate Degree of Applied Finance and Accounting.

- *Associate Degree of Applied Finance and Accounting:* Students who successfully complete the first two years of the Bachelor of Applied Finance and Accounting degree course may apply for early graduation to receive this degree.
- *Diploma of Applied Finance and Accounting:* This is a one-year course designed for students who wish to pursue a career in global finance and helps to prepare for the professional fields of finance and accounting. Students who complete this diploma may then choose to continue in the second and third years of our Bachelor of Applied Finance and Accounting, conditional on completion of the diploma at an appropriate level.

Postgraduate

For our postgraduate courses, students have the option of applying for graduate certificate, graduate diploma or master degree courses. Similar to undergraduate courses, students enrolled for a graduate certificate or graduate diploma course may apply to continue on to pursue a related, higher degree course with credit given for their completed award; and students enrolled for a master degree may graduate earlier with a graduate certificate or graduate diploma. A graduate certificate is designed to be a half-year course (to be completed over one full-time term); a graduate diploma is designed to be a one-year course (to be completed over two full-time terms); master degrees are designed to range from one and one-half to two-year courses (to be completed over three to four full-time terms).

During the 2017 academic year, TOP Business offered the following 12 postgraduate courses:

Accounting

- *Master of Accounting Practice:* The Master of Accounting Practice is a 1.5 year course designed for accounting graduates who would like to extend their knowledge in key areas of professional accounting and, at the same time, progress toward full membership of CPA Australia. The Master of Accounting Practice course includes subjects needed to prepare for the CPA Program examinations. We have offered this course pursuant to a tuition provider licence agreement with CPA Australia, and this course satisfies certain academic requirements for membership with CPA Australia. Students will be enrolled concurrently in the Master of Accounting Practice and the CPA Program with CPA Australia during the course of their studies.
- *Master of Professional Accounting Services (formerly known as Master of Professional Accounting and Business until the beginning of the 2017 academic year):* The Master of Professional Accounting Services is a 2 year course designed to enable students to gain professional qualifications in accounting. We have recently updated the curriculum for this course to become a Master of Professional Accounting Services degree course and are planning to incorporate a capstone unit with PwC Australia's involvement, which we believe will better help student prepare for practical applications of their education. Students may apply for early graduation after the first term to receive the Graduate Certificate in

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Accounting; or after the second term to receive the Graduate Diploma in Accounting; or after the third term to receive the Master of Professional Accounting. This course is accredited by CMA.

- *Master of Professional Accounting:* The Master of Professional Accounting is a 1.5 year course designed to equip graduates with the necessary skills and knowledge for a career in professional accounting. The course aims to provide students with the required foundations in accounting and related areas, as well as an understanding of the way in which accounting supports business activities. Students may graduate the course earlier with qualifications on the same track as the Master of Professional Accounting Services course, as discussed above. This course is accredited by CPA Australia, CAANZ and CMA.
- *Graduate Diploma of Accounting:* The Graduate Diploma of Accounting is a 1 year course designed as an entry point for the Master of Professional Accounting. It is intended to build upon previous non-accounting undergraduate studies and work experience, concentrating on studies in accounting and related disciplines.
- *Graduate Certificate in Accounting:* The Graduate Certificate in Accounting is a half-year introductory course designed to provide a general understanding of accounting and related areas of business study. It covers foundation knowledge in the areas of accounting, statistics, law and economics, and can provide postgraduate level learning in accounting as a stand-alone award.

Business

- *Master of International Business:* This is a 1.5 year course designed to provide students with an in depth understanding of international business. It focuses on marketing, human resources, finance, accounting and management. Students may apply for early graduation after the first term to receive the Graduate Certificate in Business Management.
- *Master of Marketing and Public Relations:* This is a 1.5 year course designed to provide students with an international perspective on a variety of areas including marketing, human resources, finance, public relations, communications and crisis management. Students may apply for early graduation after the second term to receive the Graduate Diploma of Marketing and Public Relations.
- *Master of Business Research:* The Master of Business Research is a 2 year course designed to provide students with an advanced level of specialised knowledge and skills for research in the management and commerce (business) disciplines, with emphasis on recent and ongoing developments in this field. This course is a specialised course for students who are interested in a research career and employment opportunities existing in higher education providers or with commercial research employers. Students may apply for early graduation after the first term to receive the Graduate Certificate in Business Research. This is our first higher degree course in research, which forms pathway towards a doctoral degree course.

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- *Graduate Diploma of International Business:* Students who complete this 1 year course may be eligible to continue on to the Master of International Business course. This course also serves as an early graduation point for those initially enrolled in the Master of International Business course.
- *Graduate Diploma of Marketing and Public Relations:* Students who complete this 1 year course may be eligible to continue on to the Master of Marketing and Public Relations course. This course also serves as an early graduation point for those initially enrolled in the Master of Marketing and Public Relations course.
- *Graduate Certificate in Business Management:* This half-year course is designed to provide a basic understanding of business management, human resources and finance. Upon completion, students may apply to continue on to the Master of International Business course.
- *Graduate Certificate in Business Research:* This half-year course is designed to provide students with specialised knowledge and advanced research skills, and incorporates the identification and discussion of a wide range of quantitative and qualitative research methods.

In addition to the above courses, in September 2017, we obtained accreditation for three additional postgraduate courses for the maximum seven year term and without condition. The three courses are Master of Business Administration, Graduate Diploma of Business Administration and Graduate Certificate of Business Administration. These courses will be offered beginning in the 2018 academic year.

Sydney City School of Law

We established TOP Law in 2015 and it was the first and only private non-university law school in Australia to provide a Bachelor of Laws degree course accredited by the LPAB in New South Wales, Australia. Our first cohort of Bachelor of Laws students began their studies in March 2016.

Award Courses

Bachelor of Laws

Our Bachelor of Laws course has been accredited with TEQSA since 2013 and with the LPAB of New South Wales, Australia since 2015. The degree is designed to equip students with the intellectual, critical and practical skills needed for success in the practice of law. Our Bachelor of Laws course is internationally-focused and our teaching staff includes staff members with extensive international experience.

The course is designed to be completed in four years (two terms a year, full-time), with a fast track option to complete the course in three years (three terms a year, full-time). The course's core units include coverage of the Priestly 11, which are the law subjects that make up the prescribed areas of knowledge required for application for admission into legal practice in Australia. The elective units that focus on areas of study such as international trade, international finance, taxation and business.

Others

We received accreditation from TEQSA for our Master of Laws course in 2015. We are also in the process of developing a Juris Doctor degree course for application for accreditation with TEQSA and the LPAB. We anticipate submitting our application to TEQSA for the Juris Doctor course in 2018.

Course Development and Review

We have a standard policy regarding the development of any new courses. Our main priorities in developing a course include creating courses which will attract and challenge students, respond to workforce needs and provide effective pathways to education for students from underrepresented demographics.

The course development procedures include determining the following terms:

- course design, including the name of the course, the field of education it covers, a coherent course structure, expected course progression and prerequisites, expected employment opportunities, course duration and the projected student numbers;
- course delivery methods and a coherent set of appropriate learning outcomes for the course as a whole, consistent with the AQF level of the course and specified learning outcomes for each unit, including mapping student assessment;
- admission requirements, including academic requirements for domestic and international students, English language requirements, recognition for prior learning, available pathway programs and alternative admission criteria;
- detailed unit outlines, including unit overviews, weekly lecture schedule, prescribed texts, unit learning outcomes, assessment tasks and estimated student workload;
- overall learning outcomes and graduate attributes, including benchmarking student assessment and mapping the course and unit outcomes against AQF criteria;
- inputs from internal and external stakeholders, including students, alumni and professionals;
- academic staff details; including workforce plan, qualifications, academic leaders involved in course development; and
- resourcing; including specifying resource requirements, financing and impact on existing courses

Once a course has been developed, it must be reviewed by the Course Advisory Committee (“CAC”), a subcommittee of the Academic Board which is responsible for overseeing course development and approved by the Academic Board. Because we are currently a non-self-accrediting higher education provider, we must then submit the course to TEQSA for accreditation. In the accreditation process, TEQSA verifies that our proposed course satisfies their requirements, including satisfying AQF qualifications. By obtaining course accreditation, we are able to validly offer the course and have that course recognised by other higher education providers. For more information about course

accreditation, please refer to the section headed “Regulatory Overview — Regulation in Relation to Higher Education in Australia — Accreditation levels under the AQF” and “Regulatory Overview — TEQSA’s Accreditation of Courses of Study Offered by TOP” in this prospectus.

Our standard policy is to regularly review and assess established courses and units in order to evaluate the level of attained educational aims and learning outcomes, identify areas for improvement and recommend strategies to improve. Review of each course is conducted at least every four years by the CAC and review of each unit is conducted at least every two years by our academic staff.

Reviews of courses include an analysis of the overall quality of the course, the appropriateness of the educational aims and learning outcomes, student data in terms of academic progress and employment, student feedback, the relevancy of the current course content and the adequacy of the staff, learning resources and support. Key student surveys relevant to course reviews are the graduate destination survey, which shows graduates’ full-time employment or study situation within six months of graduation, and the graduate satisfaction survey, which is a survey we conduct with all graduating students to assess their satisfaction with our Institute and courses.

Review of units include an analysis of student demand and enrolment, the content, teaching and learning methods, grade distributions, student progress and student feedback. Student surveys are conducted at the end of each term in order to help us assess the efficacy of the unit and student interest in the structure, content and teaching performance.

Assessment and Examination

In order to ensure our students achieve the target educational aims and learning outcomes, we have established an assessment policy as approved by our Academic Board. Our goal is to ensure that assessments are fair, equitable, transparent and reasonable to allow students to demonstrate their achievement of the learning outcomes. A mix of assessment methods are used, including diagnostic assessments to understand a student’s prior learning, formative assessment, such as assignments to track a student’s progress, and summative assessment, such as final examinations.

Examinations are subject to strict procedures regarding conduct and supervision. Final examination papers are submitted by the academic staff to the senior academic manager early in the term so that the examination paper can be reviewed to certify that it can be reasonably completed by the students and will be effective in measuring student achievement.

Key Benchmark Metrics

In determining the progress and performance of our Institute, we refer to standardised benchmarks including attrition rate and graduate outcomes. The attrition rate is the proportion of commencing students each year who neither complete nor return the following year.

Our first year bachelor’s degree student attrition rate in 2015 was approximately 15%, which was lower than the median first-year attrition rate for most Australian higher education providers, according to Ipsos. The table below shows the first-year bachelor’s degree student attrition rate for Australian higher education providers by quartile in 2015.

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First year bachelor's degree student attrition rates — quartile points in Australia in 2015

<u>Higher Education Providers</u>	<u>1st Quartile</u>	<u>Median</u>	<u>3rd Quartile</u>
For-profit NUHEPs	25%	33%	48%
Not-for-profit NUHEPs	20%	33%	50%
TAFEs	23%	28%	31%
Universities	13%	19%	25%

Source: Ipsos Report

We also track graduate outcome results with a survey about their situation four months post-graduation. According to Ipsos, our graduate employment rates for all students graduating from any level course is generally equal or above the national average for international students who are bachelor degree graduates from Australian universities. The table below shows our results compared to Australian universities, using the last available data.

<u>Employability measurement</u>	<u>International students for bachelor's degree at Australian universities (2014)⁽¹⁾</u>	<u>Our Company</u>
Percentage of graduates available for full-time employment	44.1%	43.3% (2014) and 44.4% (2013)
Full-time employment rate for graduates seeking full-time employment	42.2% (2014) and 45.1% (2013)	53.8% (2014) and 75.0% (2013)
Full-time employment rate for graduates in specific fields: Business Studies/ Accounting	46.6% in Business Studies and 34.3% in Accounting	53.8% (2014) and 75.0% (2013) (our graduates are all in Business Studies or in Accounting)

Source: Ipsos Report

Note:

(1) Figures are based on the 2014 Australian Graduate Survey provided by Graduate Careers Australia. This information is for international students of Australian universities but not private education providers. This is the latest information available from this source on this subject.

Students

We have historically targeted our courses for international students and a significant majority of our student headcount during the Track Record Period was attributable to international students, primarily from China, as well as from Thailand, India and more than ten other countries around the world. Students from China accounted for more than 86% of our student headcount during the Track Record Period. In the Australian higher education system, domestic students are students who are Australian or New Zealand citizens, or have Australian permanent residency. Currently, most of our TOP Business students are international while most of our TOP Law students are domestic. We measure

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our student enrolment primarily by EFTSL, which is calculated by dividing the total number of units taken by our students in a given year by 8 (which is the average number of units a single full-time student should take at our Institute in a year).

The table below sets out our EFTSL breakdowns for the Track Record Period for our award courses:

	Year ended 30 June					
	2015		2016		2017	
	Domestic EFTSL	International EFTSL	Domestic EFTSL	International EFTSL	Domestic EFTSL	International EFTSL
Undergraduate						
Bachelor of International Business ⁽¹⁾	12.5	223.8	15.0	289.5	15.8	352.3
Bachelor of Applied Finance and Accounting ⁽²⁾	—	—	0.5	9.4	0.5	52.6
Bachelor of Laws	—	—	15.5	0.9	45.9	5.1
Total Undergraduate	12.5	223.8	31.0	299.8	62.2	410.0
Postgraduate						
Master of Professional Accounting Services ^{(3),(4)}	1.2	598.1	1.0	559.6	0.6	458.9
Other Postgraduate courses ⁽⁵⁾	0.6	24.5	1.4	55.7	1.2	102.6
Total Postgraduate	1.8	622.6	2.4	615.3	1.8	561.5
Total	14.3	846.4	33.4	915.1	64.0	971.5

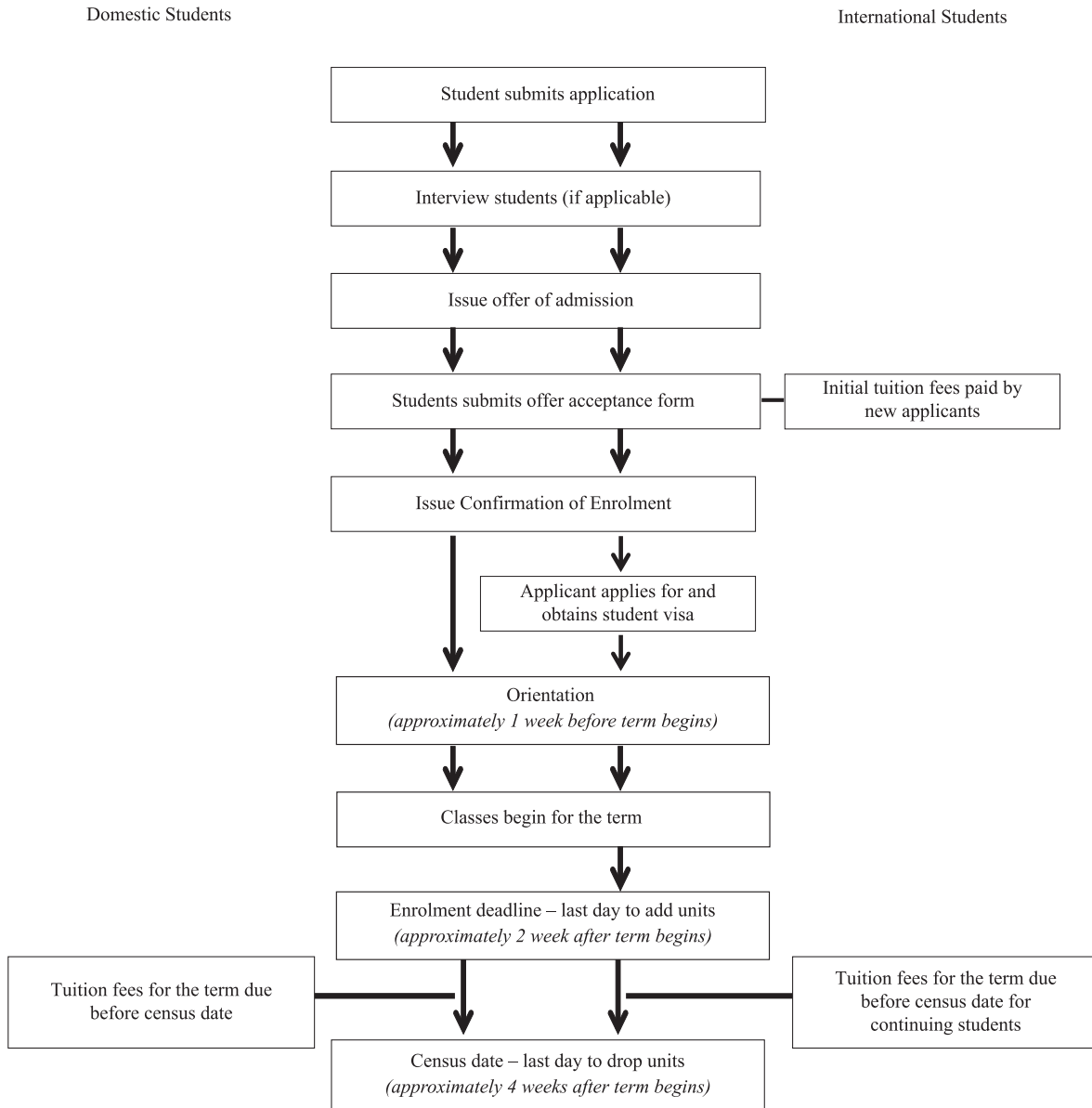
Notes:

- (1) This includes courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.
- (2) This includes courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Finance and Accounting.
- (3) This includes courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting.
- (4) Formerly known as Master of Professional Accounting and Business.
- (5) This includes all other postgraduate courses that are not part of the Master of Professional Accounting Services track.

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Application and Admission

The chart below shows our general application and admission process:



Application

We conduct intakes throughout the year and students may be admitted any time before the census date of that term. The length of the application process varies depending on how quickly students respond and how many applications were received. The time needed to complete the process from receiving a completed application to issuing confirmation of enrolment can be as short as one day. We receive and process applications on a rolling basis throughout the year. Prospective students can apply for our courses in one of three ways: (1) completing an application and directly submitting it to our Institute, (2) through the Universities Admissions Centre (“UAC”) or (3) through an authorised agent.

Direct applications are submitted in hard copy to our office or electronically by e-mail or our online platform. “**Non-school leavers**” (i.e. domestic students who are not recent graduates of an Australian or New Zealand high school) typically apply directly to the Institute.

Domestic students who are “**school leavers**” (i.e. students who have graduated from an Australian or New Zealand high school in the past year) have the option of applying through UAC. The UAC processes applications for various participating institutions in New South Wales and the Australian Capital Territory, allowing students to complete and submit one application to multiple academic institutions and rank their preferred courses.

Any student can apply to our Institute through an authorised agent. International students, particularly those who may be less familiar with Australian higher education courses, commonly utilise authorised agents. We maintain a list of nearly 100 authorised agents whom we have vetted and approved to correspond with us regarding applications. Please see the section “— Marketing and Student Recruitment — Agents” below for more information.

The application process consists of an application form, personal identification documents, a 500 word personal statement (required for certain courses), visa information (for permanent residents and international students), educational background information such as high school certificates or previous higher education qualifications, and other supporting documentation, such as recommendation letters or employment and work experience, as applicable. International students also need to provide evidence of their previous onshore study history, overseas study qualifications and English proficiency.

Admission

Once an applicant has submitted a full application, whether directly or through UAC or an agent, we begin the admissions review process. We may also conduct interviews to determine if the student meets our requirements and would be a suitable fit. In reviewing applications, we consider whether the student’s academic performance meets the requirements for the prospective course, work experience and other documentation to see whether they would be an appropriate match to our Institute.

Admission requirements differ based on whether or not the applicant is a school-leaver. A school-leaver applicant needs to meet certain minimum requirements for the Australian Tertiary Admission Rank (“**ATAR**”). The ATAR is the primary criterion used for application to most undergraduate courses in Australia and is based on scores from the New South Wales Higher School Certificate examination, which is a combination of assessments conducted usually during the last two years of high school. For

other applicants, different admissions conditions apply, generally requiring some form of equivalent testing score or some level of previous tertiary education. Postgraduate applicants must provide evidence that they have completed an undergraduate degree.

The minimum scoring requirements differ depending upon the course for which they are applying. TOP Law applicants who do not meet the minimum standard criteria may be able to supplement their application with our Bonus Points scheme, which allows applicants to effectively increase their score based on other factors, such as outstanding performance in certain high school courses, athletic achievement, indigenous heritage status, residency in certain Australian regions or attendance in a disadvantage school.

Offer and Acceptance

If we decide to admit an applicant, we will issue an offer of admission. The offer of admission will include details about how to accept the offer, the amount of tuition and fees to be paid and when and other requirements for enrolment. Admitted applicants must return an offer acceptance form.

Once we receive the applicant's offer acceptance form, we will issue a confirmation of enrolment. For international students, they must also submit payment in full for the first term's tuition fees with their offer acceptance form. Upon receipt of both the form and the tuition fees, we will issue an electronic Confirmation of Enrolment ("eCoE"), which is linked with the Department of Home Affairs. International students will use the eCoE to process their student visa applications. We are not otherwise involved in the student visa application process.

All students will be invited to attend to an orientation session, usually one week prior to the beginning of the term, in which they will learn more about our Institute, campus and courses. After the term begins, students typically have approximately four weeks until the census date, which is the last day that students may change units for that term without penalty.

We provide recognition for prior learning, granting students credit for units and learning outcomes previously achieved with us or with another institution. This allows students to complete their courses faster and with less cost. We maintain careful standards and processes for recognition of prior learning in order to ensure that we maintain the integrity of qualification outcomes and students are adequately prepared to continue their education with us.

Tuition and Fees

We have three terms a year and our schedule is similar to other higher education providers in Australia: first term runs from March to June, second term from July to November and a summer term from November to February. Tuition for each term is generally paid in full prior to the census date. Students may pay for tuition by credit card, cheque, direct deposit or bank transfer. Tuition is charged based on the course being pursued and the number of units taken each term. A full-time student is required to take at least three units per term.

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The table below sets out the schedule of our tuition fees by course for the 2018 academic year:

	<u>Duration</u>	<u>Total Course Fee</u>	
		<u>Domestic students</u>	<u>International students</u>
		AUD\$	AUD\$
Undergraduate			
Diploma of Business	1 year (2 terms)	\$15,000	\$20,000
Diploma of Applied Finance and Accounting . . .	1 year (2 terms)	\$17,000	\$20,000
Associate Degree of Business	2 years (4 terms)	\$30,000	\$40,000
Associate Degree of Applied Finance and Accounting	2 years (4 terms)	\$34,000	\$40,000
Bachelor of International Business	3 years (6 terms)	\$45,000	\$60,000
Bachelor of Applied Finance and Accounting . . .	3 years (6 terms)	\$51,000	\$60,000
Bachelor of Laws	4 years (8 terms)	\$48,000	\$80,000
Postgraduate			
Graduate Certificate in Accounting	0.5 years (1 term)	\$8,500	\$11,500
Graduate Certificate in Business Management . .	0.5 years (1 term)	\$8,500	\$11,500
Graduate Certificate in Business Research	0.5 years (1 term)	\$10,000	\$18,000
Graduate Diploma of Accounting	1 year (2 terms)	\$17,000	\$23,000
Graduate Diploma of International Business	1 year (2 terms)	\$17,000	\$23,000
Graduate Diploma of Marketing and Public Relations	1 year (2 terms)	\$17,000	\$23,000
Master of Accounting Practice	1.5 years (3 terms)	\$25,500	\$34,500
Master of Professional Accounting	1.5 years (3 terms)	\$25,500	\$34,500
Master of Professional Accounting Services ⁽¹⁾ . .	2 years (4 terms)	\$34,000	\$46,000
Master of International Business	1.5 years (3 terms)	\$25,500	\$34,500
Master of Marketing and Public Relations	1.5 years (3 terms)	\$25,500	\$34,500
Master of Business Research	2 years (4 terms)	\$40,000	\$72,000
Master of Laws	1 year (2 terms)	\$20,000	\$20,000

Note:

- (i) Formerly known as Master of Professional Accounting and Business.

Tuition payment amounts differ between domestic and international students. As noted in the section headed “Regulatory Overview” in this prospectus, Australian laws and regulations place limits on the loan assistance for eligible fee paying students and student contribution amounts for Commonwealth Supported Places (which TOP does not currently provide). However, there are currently no limits on the amount of tuition and fees that higher education providers may charge to fee-paying international students, nor are there limits on the amount of tuition and fees that TOP may charge domestic students for the above courses.

Whilst amount of tuition and fees charged to international students are not subject to regulations capping the amount of tuition fees charged, they are still subject to Code of Practice under the ESOS Act, which provides certain consumer rights and protections. We adjust tuition amounts for international students primarily based on our assessment of market conditions. In addition to tuition and enrolment

fees, international students are required under Australian immigration law to obtain international student health cover each year. Tuition for new international students is due upon acceptance of their offer and for continuing international students, tuition is due prior to the census date. International students may receive a 80% refund if they give written notice of non-enrolment at least four weeks prior to commencement of the term and a 50% refund if they give notice after that point but before the census date. International students are also able to obtain a refund of any unspent, prepaid tuition fees if their Australian visa application has been rejected. After the census date, no tuition refund is available, although exceptional circumstances may merit case-by-case consideration. International students who later gain permanent residency status in Australia become qualified to pay domestic student fees if the date shown in their visa is before the commencement date of that term.

To help accommodate our students' financial circumstances, students may apply for a variety of scholarships in the categories of academic merit and leadership, financial need, indigenous status and professional support. For students undergoing exceptional circumstances or financial hardship, we evaluate the situation on a case-by-case basis to create a tuition payment plan or deferral plan. Domestic students may also be eligible for FEE-HELP which is a loan program established by the Australian government to support higher education learning. FEE-HELP can be used to pay part or all of a student's tuition fees and is limited by a lifetime cap.

Pathway Programs with Chinese Higher Education Providers

Since 2013, we have had a pathway program with GUFU whereby a student who studies for three years at GUFU may become eligible to study one year at TOP Business to complete a bachelor degree at our Institute. This pathway program has been approved by the Ministry of Education of China. Students who complete this program are eligible to apply for associate membership to CPA Australia.

In 2017, we received approval from the relevant local Chinese authorities for another pathway program with Shandong Polytechnic College whereby students may graduate with a Bachelor degree from our Institute by completing a special three-year program at Shandong Polytechnic College and continuing education at our Institute with credit given for the three-year program completed in China. In 2017, we also signed an agreement with Henan Institute of Economics and Trade and have obtained approval from the local Chinese authorities. With this agreement, we have developed a pathway program by which students who complete a certain course of study at the Henan Institute of Economics and Trade may receive credit for it at our Institute if they are later admitted here to study.

Pathway Programs to Australian Universities

We have endeavoured to establish quality higher education provision that can be widely recognised. Part of our efforts includes setting up pathway programs with Australian universities. Under these pathway programs, our students, after completing a certain number of units with us, are eligible to transfer to a university and receive credit for those units towards a degree from the university. Our current pathway programs include arrangements with the University of Newcastle and the University of Wollongong.

Student Services

In order to provide our students with the best possible environment for learning and an excellent overall student experience, we offer a variety of student support facilities and services, including:

- an orientation program for new students each term, which includes providing the latest student handbook covering important information about key policies and procedures, academic programs of interest, our academic integrity guidelines, useful safety information and others;
- workshops and one-on-one tutoring for both English language support and certain class-specific academic support;
- one-on-one private counselling services for students regarding academic and non-academic issues;
- online platforms for communicating with lecturers and tutors;
- library facilities including multiple hard copies of textbooks and core reference books as well as subscriptions to online databases in business and legal fields that students can access on-campus and remotely; we also have a policy of subsidising students for membership fees to access the nearby University of Sydney's libraries;
- organisational and financial support for student social activities and community engagement;
- a range of available merit-based and needs-based scholarships;
- career development workshops and resume writing workshops; and
- a variety of seminars, workshops and guest lectures about recent developments in business and career guidance, and other relevant topics of interest.

We maintain various institutional student service mechanisms such as a Student Experience Committee which is a management body focused on improving student services and coordinating student service matters across all operational lines. In order to address student complaints, we have established a student dispute resolution system which allows students appeal up to the Student Grievance Committee (“SGC”), a sub-committee of the Academic Board. Moreover, our governance and senior management bodies regularly review student services policies and procedures. We have also a designated Senior Manager of Student Services and various Student Service Coordinators who oversee the day-to-day provision and management of student services.

Marketing and Student Recruitment

As a private higher education provider, we undertake marketing efforts in order to attract new students and grow our student population. In Sydney, we regularly advertise on public transportation, newspapers, over the radio and through internet and social media. We also organise and attend education events to publicise our Institute. For example, in 2016, we organised a careers advisers' day with a campus tour and presentations to promote our programs. Additionally, we are regularly invited to attend

education agent expositions several times a year. We also rely on word-of-mouth from students, alumni and organisations we work with, including PwC Australia and the Australian and Chinese education institutions with which we have pathway programs.

As at 31 October 2017, our marketing staff consisted of 6 people. During the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, our advertising and marketing costs (not including commissions paid to agents) amounted to AUD\$0.6 million, AUD\$1.2 million, AUD\$1.2 million and AUD\$0.4 million, respectively. Our advertising and marketing costs increased considerably for the year ended 30 June 2016 in order to promote our new TOP Law.

Student Recruitment and Agents

In addition to our own marketing staff, we also coordinate with third-party agents who act as education consultants to students, mainly international students. These agents provide students with information and advice about various higher education providers, guide them through the application process and many also assist with other aspects of student life such as applying for visas, finding housing and providing career guidance.

Our policy is to ensure that agents meet our standards by undergoing a vetting process before we list them as our authorised agents. As at 31 October 2017, we had approximately 100 authorised agents. Prior to authorising an agent, we review their accreditations, qualifications and references to ensure that the agent is reliable and trustworthy. We sign long-term written agreements with all authorised agents which set out terms such as commission amounts and the agents' obligations. Agents working in the higher education sector are subject to regulations, including but not limited to the ESOS Act and the National Code, and our contract terms with authorised agents comply with those requirements.

Our standard terms with agents are generally laid out in written contracts as below:

- *Term:* typically three years and automatically renewable for a further three years.
- *Commissions:* varies from 10%–30% of the relevant student's tuition fees, depending upon several factors including the number of students that agent has sent us, the course the student is enrolling in, the year of study of the student, and our relationship with the agent. We believe our commission structure is in line with the industry standard.
- *Credit Terms:* commissions are to be paid within 45 days of the census date if the student has paid their respective tuition fees and the agent has provided an invoice.
- *Agent's obligations:* our standard contracts lay out the agent's services and obligations. Key terms include:
 - promoting our Institute and our courses to suitable prospective students with accuracy and integrity and recruiting such students in an ethical and responsible manner;
 - accurately informing prospective students about the requirements of our Institute, courses and tuition and fee policies and about the education system and life in Australia;

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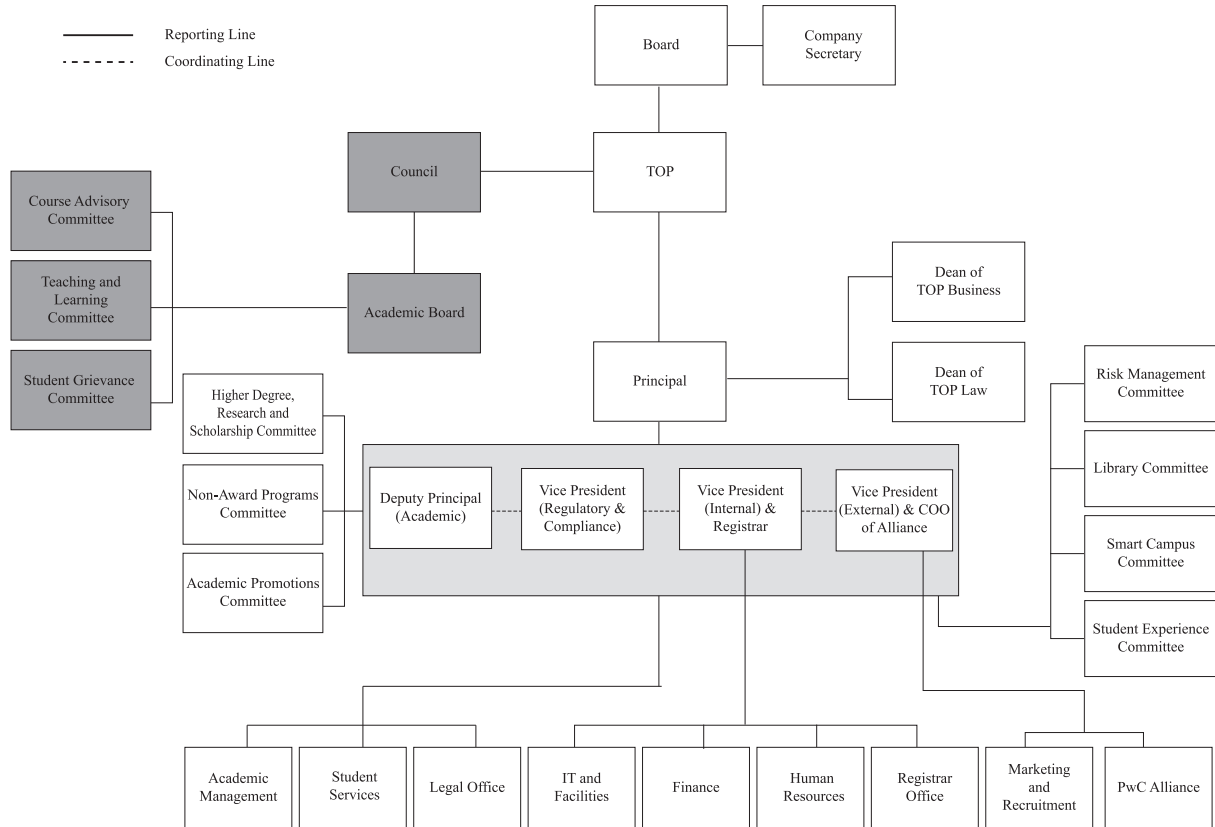
- assisting students in the application process by ensuring all necessary documentation is included;
 - seeking our prior approval for using our name and trademarks in their promotional or marketing activities;
 - adhering to and maintaining compliance with all applicable laws and regulations, such as regulations protecting international students and privacy laws;
 - providing relevant market information for records and research; and
 - not making any representations or guarantees and not incurring any expenses or liabilities on our behalf without our consent.
- *Our obligations:* key terms of our responsibilities to the agents include:
 - providing the agent with up-to-date and accurate information about our Institute and courses, and reports about student applications lodged by the agent;
 - providing the agent with adequate training regarding appropriate conduct;
 - informing the agent of any changes regarding visa requirements or visa application processes;
 - nominating a person to act as a point of contact and liaison with the agent; and
 - monitoring the agent's activities and taking corrective actions if we become aware that an agent may be in breach of its contract terms with us or engaging in unethical activity.
 - *Exclusivity:* we do not have exclusivity arrangements with any agents; all agents regularly correspond with a wide range of higher education providers.

We maintain frequent communication with authorised agents to keep them up-to-date about the latest developments with our Institute, including holding regular briefings and workshops.

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Governance and Management

In accordance with Australian legislative and regulatory framework requirements for the higher education sector, we have established distinct governance and management systems. Governance positions are responsible for overall oversight of higher education provision and ensuring quality standards. Management positions are responsible for the daily operations of the Institute.



Governance

Our Board has ultimate decision-making authority but has delegated the general oversight of higher education provision to the Council, which is the corporate governing body. The Council comprises 15 members and meets at least four times a year to discuss the latest developments, consider progress on long-term strategic plans, review financial reports and analyse risk factors affecting the Institute. Seven of the members of the Council are external parties, who are not employees, members of management, shareholders or directors of TOP, and can voice independent, outside viewpoints on these decisions. Many of our Council members are experienced academics who have held senior positions in Australian universities, such as Vice-Chancellors or Deputy Vice-Chancellors. The Council is primarily responsible for oversight of our Institute as a whole and setting the overall strategic direction and framework of policies needed to achieve institutional objectives and ensure compliance with regulatory requirements.

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The Council delegates authority to the Academic Board, which is the academic governing body, to oversee academic quality assurance, academic integrity and independence. The Academic Board comprises 14 members and meets six times a year. Seven of the members of Academic Board are external members, who are not employees, members of management, shareholders or directors of TOP. Many of our Academic Board members are former or current deans, professors or deputy vice-chancellors of Australian universities. The Academic Board advises the Council on academic matters and approves and monitors academic policies.

The Academic Board also has three sub-committees: the Course Advisory Committee, the Teaching and Learning Committee (the “TLC”) and the Student Grievance Committee. Membership of the sub-committees is based on appointment by the Academic Board.

Course Advisory Committee’s major academic functions includes monitoring the development of new courses and regularly reviewing existing courses to ensure that they meet regulatory requirements for quality and recommending improvements to the Academic Board to ensure that our quality standards meet the latest benchmark targets. For example, the Course Advisory Committee is responsible for determining what outcomes each class and overall course should ultimately be able to provide to the students. The Course Advisory Committee meets periodically during the course development process.

The TLC is responsible for ensuring that our classes and courses are achieving target outcomes in line with our institutional teaching and learning plan. For example, the TLC reviews class outlines, course materials and teaching evaluations to determine if our classes are achieving the target outcomes set by the Course Advisory Committee and reports its findings to the Academic Board. The TLC meets approximately every two months.

The Student Grievance Committee meets only when a student is not satisfied with the results of prior dispute resolution processes with our academic staff. The Student Grievance Committee consists of one Academic Board member with a legal background and two external parties to be brought in on an ad hoc basis in order to ensure impartiality and independence. The Student Grievance Committee has only needed to be convened once during the Track Record Period to review a student’s grievance.

Our governance positions for external members are not paid employee positions. However, we generally provide a stipend of up to AUD\$10,000 per year to external members and one external member during the Track Record Period directed his stipend of AUD\$5,000 per year to be used to establish a scholarship for the Institute. The chairman of the Council and the chairman of the Academic Board are paid AUD\$100,000 and AUD\$75,000 per year, respectively, due to the extensive nature of the duties involved with those positions.

Management

Our management team is accountable to the Council and is responsible for managing the Institute in accordance with the strategy, plans and policies approved by the Council and implementing policies, programs and processes, both corporate and academic. Our management team is led by the Principal, and other members of the senior management team include the Vice President (External Engagement) and the Vice President (Regulatory & Compliance). For more information, please see the section headed “Directors and Senior Management” in this prospectus.

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Academic Staff

As at 31 October 2017, we employed 58 academic staff. Academic staff are hired either on a permanent basis (meaning their contract lasts beyond one term) or a casual basis (meaning they are engaged and paid on a sessional basis). In order to ensure consistency of teaching quality, we have endeavoured to reduce our casual academic ratio over the years. The casual academic ratio, or called “academic staff on casual work contract”, is measured by workload and calculated by total full-time load equivalent casual academic staff divided by total full-time load equivalent permanent academic staff. Generally speaking, an academic staff member teaching one subject in a year is equivalent to full-time workload of 0.11. Our permanent staff members generally have a greater workload per person than casual staff members. Our casual academic ratio has decreased from 52.3% in 2012 to 19.6% in 2016.

We have well-established and rigorous policies, procedures and standards for selecting and recruiting academic teaching staff. We list open positions on our website with detailed descriptions of requirements. When we receive applications, we review the candidate’s academic background, teaching experience, research and publication record and references. Candidates may also undergo interviews, including with the Dean of either TOP Law or TOP Business, depending upon what position they are applying to teach for, and with other senior academics. We choose academic staff members in accordance with our policy on academic qualifications and equivalent professional experience, which evaluates their relevant qualifications, depth of knowledge in the field, teaching skills and related practical experience and ensure that they hold the required academic qualifications. Under regulatory framework requirements, academic teaching staff members must hold qualifications at least one level higher than the class they teach or equivalent professional experience. For example, only someone with a doctoral degree would be able to teach a Masters degree-level class. The following table shows a breakdown of our academic staff by headcount by their education qualification for the years/period provided:

	Year ended 30 June			Four months ended 31 October
	2015	2016	2017	2017
Permanent				
Doctoral	6	7	9	9
Postgraduate	11	16	17	13
Bachelor	—	—	—	—
Total — permanent	<u>17</u>	<u>23</u>	<u>26</u>	<u>22</u>
Casual				
Doctoral	5	8	8	10
Postgraduate	18	22	31	24
Bachelor	1	1	3	2
Higher school	—	—	1	—
Total — casual	<u>24</u>	<u>31</u>	<u>43</u>	<u>36</u>
Total	<u><u>41</u></u>	<u><u>54</u></u>	<u><u>69</u></u>	<u><u>58</u></u>

Our permanent academic staff contracts set out their remuneration with a basic annual salary plus superannuation and other standard entitlements under Australian employment law. We determine basic annual salary by benchmarking against comparable Australian universities. Our casual academic staff are

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hired on a sessional basis and remunerations are determined on an hourly basis plus standard entitlements for casual staff. We believe our employee compensation policies and packages are in line with the industry standard for the higher education sector in Australia. For the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, our employee benefit expenses relating to costs of sales amounted to AUD\$2.2 million, AUD\$2.9 million, AUD\$3.7 million and AUD\$1.2 million, respectively. The following table shows a breakdown of the annual salary range and average annual salary of our academic staff by their education qualification as at the dates provided:

	As at 30 June						As at 31 October	
	2015		2016		2017		2017	
	Salary Range (AUD\$)	Average Salary (AUD\$)	Salary Range (AUD\$)	Average Salary (AUD\$)	Salary Range (AUD\$)	Average Salary (AUD\$)	Salary Range (AUD\$)	Average Salary (AUD\$)
Permanent (Annually)								
Doctoral	60,000–200,000	127,303	63,000–240,000	127,000	64,000–240,000	133,155	65,000–240,000	134,201
Postgraduate	45,000–220,000	77,000	47,200–240,000	77,486	47,200–260,000	77,515	50,000–268,000	87,279
Bachelor	—	—	—	—	—	—	—	—
Casual (Hourly)								
Doctoral	120	120	120	\$120	125–130	127	130	130
Postgraduate	60–150	101	25–120*	\$117*	25–200*	122*	25–200*	130
Bachelor	120	120	140	\$120	140*	140*	25–140*	83
Higher school	—	—	—	—	25*	25*	—	—

Note:

* includes academic staff performing academic administrative work.

We provide an induction session for all academic staff hired to help them acclimate to our campus and Institute and supply them with our employee handbook. We also require all academic staff to undergo regular updated academic and research skill development workshops. Moreover, we often offer funds to help academic staff pursue external study or other professional development opportunities such as academic conferences, research projects, or scholarly publications to enhance their scholarship and help improve their teaching.

We regularly evaluate our academic staff by issuing surveys to students at the end of each term. As part of these evaluations, students can give an overall score out of 5.0. For the academic years 2015 and 2016, the average score was 4.2 or higher each term and we target to maintain each of scores at 4.0 or above. Academic staff members who score below 3.5 are closely re-evaluated in an internal staff review meeting or discussion.

Academic staff members are promoted based on their performance and contributions to our Institute's research and scholarship culture. Academic staff members applying for promotion must also obtain the support of the relevant Dean.

ALLIANCE WITH PwC AUSTRALIA AND RELATED PROGRAMS

Alliance Agreement

The initial term of the Alliance Agreement is for seven years, expiring on 31 March 2023, with the option for the term to be further extended by the parties. The Alliance Agreement with PwC Australia is non-exclusive, however both parties agree to a mutual “premium partner” operating principle between them during the term, offering the first option to take up opportunities to work together in the higher education and executive education services sector.

The Alliance Agreement sets out the key terms of our alliance, including:

- PwC Australia has granted us a co-branding right to co-brand their logos and marks for the purposes of promoting our Institute. We are able to present our Institute as “Top Education in alliance with PwC” at an institutional level, and we can co-brand any products we co-develop with PwC Australia such as our corporate training offering, in an agreed format and subject to advance written request to and approval from PwC Australia.
- We have granted PwC Australia a limited right to use our logos and marks for the purposes of promoting our Institute.
- PwC Australia has the right to nominate representatives to sit on our Council and to participate in our Academic Board and other academic committees as agreed.
- As part of the payment for Shares, PwC Nominees granted us AUD\$3.0 million in credit (the “**Service Allowance**”) to be used between the commencement of the Alliance Agreement and the fifth anniversary of that commencement (the “**Services Period**”). The Service Allowance may be used to procure various services by PwC Australia (“**PwC Australia Services**”). Please see the section headed “Connected Transactions” in this prospectus for more information. Any amount of the Service Allowance that is not utilised during those first five years of the Alliance Agreement, or prior to the termination of the Alliance Agreement will be forfeited and PwC Australia will not be liable to pay any amount of unutilised Service Allowance on account of the payment for shares as a reduction to the subscription price, or as compensation, damages or otherwise. The only exception is if we terminate the Alliance Agreement due to a breach by PwC Australia, in which case, we will be provided a service credit in the same amount as the unutilised portion of the Service Allowance. The Alliance Agreement sets out the terms of use for this Service Allowance and certain minimum amounts of PwC Australia Services that we are obligated to procure from PwC Australia on an ongoing basis.
- If the Service Allowance is exhausted before the fourth anniversary of the Alliance Agreement in any year, then in each subsequent year until the end of the Services Period (“**Pre Services Period Minimum Spend Year**”), we are required to procure PwC Australia Services for which the fees must be, in aggregate, more than the lesser of: (a) the average annual spend on PwC Australia Services for the period from the start of the Alliance Agreement until the start of the relevant Pre Services Period Minimum Spend Year; (b) 15% of our operating expenses (excluding agency commissions) for the financial year immediately prior to relevant Pre Services Period Minimum Spend Year; and (c) 15% of our net profit

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after tax for the financial year immediately prior to the start of the first Pre Services Period Minimum Spend Year. After the end of the Services Period until the end of the term of the Alliance Agreement, we are required to procure a minimum level of PwC Australia Services in each year period which, in aggregate, the fees must be more than the lesser of: (a) 15% of our operating expenses (excluding agency commissions) for the immediately prior financial year; and (b) 15% of our net profit after tax for the immediately prior financial year. If the value of the PwC Australia Services procured do not meet the minimum level required for the relevant timeframe, the PwC Australia may issue us an invoice for the amount by which we fell short for the minimum level.

- PwC Australia's participation is subject to audit independence requirements, meaning the laws, regulations, professional standards, policies and guidelines relating to auditor independence, including PwC Australia's global and local independence policies and standards. We have obligations in relation to meeting these requirements. PwC Australia may refuse to provide consents or services under the Alliance Agreement which, in its reasonable assessment, may infringe upon such audit independence requirements, and PwC Australia is entitled to terminate the Alliance Agreement in various circumstances, including if it reasonably determines that continued participation under the Alliance Agreement is not permitted under their audit independence requirements.

SCDP

SCDP is a training program, facilitated by PwC Australia representatives, aimed at helping students become more "business ready" as they graduate and enter today's competitive job market. We co-developed this program with PwC Australia to address a common concern amongst both students and employers, about how to better prepare students to smoothly transition to the professional environment. The program focuses on building a strong foundation of business skills, such as effective business communication, critical thinking, networking and teamwork. Students hone these skills by working through realistic business case studies which also allows them to receive a highly practical and engaging development experience. For each participating student, the program also includes a shadowing experience with a PwC Australia professional where the student gets to observe real life professional meetings and discussions to further enhance their learning and experience. Our current students have priority access in applying to the SCDP, and other applicants may be considered subject to availability. We have so far completed two SCDP cohorts: in November 2016 and July 2017, and we intend to run SCDP sessions four times per year going forward, based on the positive feedback we have received from the students who have completed the program to date.

We also believe that the SCDP has broader application into other markets, specifically for students studying in China and other countries, and we are considering expanding the delivery of this program to a broader audience in the future. This includes building an online widely accessible version of SCDP. Please see the section headed "— Digital Innovation" below.

Work Experience

As part of our commitment to providing our students with the best learning opportunities, we are working with PwC Australia and other organisations to provide ongoing work experience placements. This allows students to learn 'on the job', doing real work within teams and gaining valuable

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experience. The ability to obtain work experience while studying is highly sought after for students so that they improve their practical skills and are work-ready when they graduate, and increases the attractiveness of our Institute to prospective students as they consider their options for study.

Since the Alliance Agreement with PwC Australia has commenced, we have seen 17 of our students take up work experience opportunities at PwC Australia in various teams, and it is currently anticipated that a further 100 students will undertake short-term placements annually in 2018.

In addition to placements with PwC Australia, we are working with other organisations based in Sydney to provide non-exclusive placement opportunities for our students, with a view to being able to offer a diverse range of work experiences for our students to undertake whilst they study with us.

Guest Lecturing

We have commenced a PwC Australia guest lecturing program to bring PwC Australia representatives into our classrooms to assist our students to better understand the practical application of what they are learning. We see this as being very attractive to students, giving them greater exposure with people working in their desired field. This program commenced in September 2017 with lectures on auditing, as part of our Masters of Professional Accounting course, and we plan to implement this in our other courses in the future.

We are also planning to work with PwC Australia in relation to capstone projects for specific Masters courses, such as the Master of Professional Accounting Services. Capstone projects are extensive, academic projects that postgraduate students undertake to demonstrate mastery of the relevant skills and knowledge needed to obtain their degree. PwC Australia would be involved in project design and participate in mentoring arrangements as part of the project to guide our students through solving complex business problems.

Digital Innovation

Digital learning is an increasing trend in the education sector and we intend to adapt our operations accordingly, leveraging off support from PwC Australia's digital capabilities and services.

Our strategy is to strive to continually innovate, building new and exciting education solutions for our students and clients. This includes investing in updating the digital infrastructure of our facilities to create an integrated smart campus system, which would provide the platform for us to grow our digital education offerings.

Our digital innovation projects include:

- We have built an innovative VR application to teach accounting fundamentals with PwC Australia's assistance, which is already being used in one of our accounting units, for which we own the technology plan. This has increased both student interest in, and understanding of, the subject matter taught by the module. We plan to further enhance our capability in this area, growing our VR modules to further supplement traditional classroom learning.

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- We plan to develop online programs, starting with our SCDP with PwC Australia, as we believe this program has broad market appeal in Australia, China and globally. We have started creating an initial online module for SCDP with PwC Australia and we intend to deliver the program utilising an existing third-party MOOC platform, creating a new revenue stream.
- To facilitate greater interest in our Institute, we plan to establish student experience centres in China equipped with the latest digital technology. These centres would provide an innovative way for prospective students to interact with our people and our programs. We would start with a first-tier city and then expand out to five other strategically located cities in different provinces. This would allow students in China to experience what it would be like to live in Australia and study with our Institute through the use of VR and other high-tech methods.

Corporate Training

We believe that our strengths as a higher education provider combined with our alliance with PwC Australia provide a strong base to significantly grow our new corporate training programs into one of our revenue streams.

Our corporate training is co-branded with PwC Australia and we work with PwC Australia representatives in developing course materials and content where relevant. We offer a tailor-made service for our corporate clients, covering a wide range of business and industry expertise, technical skills, and professional development. Through our education institutional contacts and our alliance with PwC Australia, we are able to find knowledgeable, well-qualified facilitators to provide training across a variety of fields. We generally sign short-term contracts with our corporate clients, setting out the scope, content and fees for the program. We began offering corporate training in 2016 and as at 31 October 2017, we have had more than 10 corporate training clients. Our current client base are generally large Chinese enterprises with operations in Australia including China Eastern Airlines Corporation Limited, Belong Realty Pty Ltd, Longton Capital Pty Ltd, CRRC Australia Pty Ltd and Beijing Zhongguancun Overseas Science Park (Australia) Pty Ltd.

We have also co-developed with PwC Australia The Belt and Road Development Abroad training program designed to take advantage of the interest in China's Belt and Road Initiative. This program aims to arm Chinese enterprises with a strategy to invest in countries that are part of China's Belt and Road Initiative with basic outbound merger and acquisition knowledge and skills. In June 2016, we signed a memorandum of agreement with two major Chinese universities to partner with them regarding the delivery of this program in China, and in March 2017, we delivered this program for the first time. We wish to further develop and grow the delivery of this specific program, as we see this as a significant opportunity to grow our brand and presence in China.

Other non-award programs

We are also considering providing a wider range of non-award professional skills and practical training programs in accounting, auditing, taxation, financial advisory, risk management, business transactions and other related fields taught by our academic staff and PwC Australia representatives. We

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believe that such non-award programs could cater to a broad potential market targeting corporate clients and provide a new revenue stream. We may consider establishing a separate subsidiary dedicated to non-award programs, in order to maintain a distinction from our traditional higher education degree courses.

CUSTOMERS AND SUPPLIERS

Our customers primarily consist of our students and corporate training customers. We did not have any single customer who accounted for more than 5% of our revenue for each of the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017. Our suppliers primarily comprise agents, vendors and service providers for our facility operations. Our five largest suppliers during the Track Record Period were agents. For the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, commissions to our five largest suppliers amounted to AUD\$1.1 million, AUD\$1.2 million, AUD\$1.6 million and AUD\$0.6 million, respectively, which represented 14.8%, 14.5%, 15.7% and 16.8% of our total cost of sales in the same periods. During each of the same periods, commissions to our largest supplier amounted to AUD\$0.3 million, AUD\$0.3 million, AUD\$0.4 million and AUD\$0.2 million, respectively, which represented 3.4%, 3.4%, 4.2% and 4.8% of our total cost of sales in the respective periods. None of our Directors, their respective associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, has any interest in any of our five largest suppliers during the Track Record Period and up to the Latest Practicable Date.

COMPETITIVE LANDSCAPE

According to Ipsos, the higher education market in Australia is primarily dominated by public universities, which provide education across several different fields. However, private higher education providers generally compete in distinct parts of the market separate from Australian universities, as private higher education providers tend to be more niche-oriented and concentrated in a few fields, in particular, business, creative and applied arts, health and wellbeing, theology and IT. According to Ipsos, the Australian higher education market has a number of entry barriers which create difficulties for potential new entrants. These include extensive financial and regulatory requirements to be met before becoming operational, time and financial investment necessary to develop courses and competition against large established players.

In 2015, we ranked 14th among private NUHEPs in Australia in terms of EFTSL and second among private NUHEPs in Sydney in terms of estimated international student EFTSL, according to Ipsos. Among private NUHEP business schools in Australia in 2015, we ranked third in term of EFTSL of international students studying in Australia among business-focused private NUHEPs which were operational and accredited as at the Latest Practicable Date, according to Ipsos. Our main competitors among private NUHEPs include education groups and companies that own multiple higher education institutions or have multiple campuses. We believe that our focus on providing quality, higher education courses and our alliance with PwC Australia grants us a competitive advantage in the market.

For more information about the competition landscape, please see the section headed “Industry Overview” in this prospectus.

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EMPLOYEES

As at 31 October 2017, we had 92 staff members (including academic staff). The table below sets out the breakdown of our employees as at 31 October 2017:

	<u>Number of staff</u>
Academic staff	58
Administrative staff	28
Marketing staff	<u>6</u>
Total	<u><u>92</u></u>

We have entered into employment agreements and contracts with all of our employees. Employment agreements for casual staff are sessional and casual staff are not eligible for the same kind of employment entitlements under Australian law that permanent employees would receive. Casual staff arrangements are more flexible for both the casual staff and us. For example, some academic staff members may also wish teach at other institutions or pursue other work rather than continuously teach at TOP. In turn, by being able to employ some lecturers on a sessional basis, we have greater flexibility to choose our unit offerings and can more easily adapt to student responses and market demands for different content or different lecturers. Permanent staff members are our employees and receive both superannuation and other employment entitlements. Permanent staff arrangements allow for more stability and predictability, which in turn helps promote effective integration and increase engagement of the staff members with our Institute. Both casual and permanent staff have access to library resources, support for scholarly activities, and our academic events.

Our success depends on our ability to attract, retain and motivate qualified personnel. We have generally been able to attract qualified personnel and maintain a stable core management team. We are dedicated to the training and development of our employees. All staff are required to complete a staff induction program as well as subsequent on-going training activities. We also identify outside workshops, seminars or other professional development activities for our staff and offer subsidies to facilitate their participation.

We believe that we maintain a good working relationship with our employees and we have not experienced any significant labour disputes since our inception. Pursuant to applicable Australian laws, employers are required to make contributions to a superannuation fund for all employees, both permanent and casual. Employment entitlements for permanent staff members include annual leave, sick leave and long-service leave. During the Track Record Period and up to the Latest Practicable Date, we have been in compliance with all applicable employee benefit regulations and laws.

FACILITIES AND EQUIPMENT

Our campus and principal place of business is located at ATP in Sydney, Australia, where we lease two lots of properties from Independent Third Parties for our classrooms, a moot court room, a library, a café and other campus facilities, as well as offices for our teaching and administrative staff. Located approximately 15 minutes away from Sydney's central business district, ATP is a heritage site that houses a variety of business, education and research institutions. By leasing space at ATP for our campus, we believe we are able to benefit from the proximity to other universities and easy access to transportation facilities, education resources, recreation areas and various amenities.

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We do not own any real property. We have leased our campus facilities at ATP under a number of lease and sublease contracts which set out the terms of our leased facilities, including a standard change of control clause. The table below sets out key information about our lease and sublease contracts:

Campus Site	Address	Lease		Approximate Leased Space (sq.m.)	Use	Landlord
		Commencement Date	Lease End Date			
Biomedical Building . . .	Biomedical Building, 1 Central Avenue, Australian Technology Park, Eveleigh, Australia	August 2016	October 2020, with option by us to renew for three years	313.2	Classrooms, offices	Lessor: The Trust Company (Australia) Limited
		June 2014	October 2020, with option by us to renew for three years	187.2	Classrooms, moot court, offices	Sublessor: Australian Technology Park Sydney Limited ⁽¹⁾
Bay 16	Bay 16, Locomotive Workshop, 2 Locomotive Street, Australian Technology Park, Eveleigh, Australia	November 2013	October 2020, with option by us to renew for three years	620.4	Classrooms, student facilities, offices	Sublessor: Australian Technology Park Sydney Limited ⁽²⁾
		February 2014	October 2020, with option by us to renew for three years	663.4	Classrooms, library, student facilities, offices	Sublessor: Australian Technology Park Sydney Limited ⁽²⁾
		January 2017	October 2020	59.4	Café	Lessor: Mirvac Projects (Retail and Commercial Pty Limited)

Notes:

- (1) The Trust Company (Australia) Limited is the lessor.
- (2) Mirvac Projects (Retail and Commercial Pty Limited) is the lessor.

We believe that our leased facilities are adequate to meet our needs for the foreseeable future and that we will be able to obtain adequate facilities, principally through leasing, to accommodate our further expansion. Our aggregate rental expenses for the years ended 30 June 2015, 2016 and 2017 were approximately AUD\$0.8 million, AUD\$0.8 million and AUD\$1.0 million, respectively.

During the Track Record Period and up to the Latest Practicable Date, we had not received any notice or warning nor had we been subject to any fines, penalties or other legal actions by government agencies in Australia with respect to any environmental protection laws.

As at the Latest Practicable Date, no single property interest forming part of our non-property activities had a carrying amount of 15% or more of our total assets. Accordingly, we are not required by Chapter 5 of the Listing Rules to value or include in this prospectus any valuation report of our property interests. As such, according to section 6(2) of Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the laws of Hong Kong), this prospectus is

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exempted from compliance with the requirements of section 342(1)(b) under paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires us to include a valuation report for all of our interests in land or buildings.

Relocation

As is not uncommon in multi-tenanted premises, our lease and sublease contracts contain provisions that the landlord can terminate the lease with at least six months' notice for substantial repair or renovation of the building in which our campus facilities are located, subject to certain conditions which the landlord should meet. One of the landlords, Mirvac Projects (Retail and Commercial Pty Limited) ("**Mirvac Projects**"), has contacted us and all their other ATP tenants to commence a consultation process about a potential future refurbishment of part of the Locomotive Workshop building, including Bay 16 which comprises part of our leased premises. In November 2017, the landlord informed us that it had submitted a development assessment application regarding renovation of the Locomotive Workshop to the Department of Planning and Environment of New South Wales but approval has not yet been granted. In February 2018, we signed lease proposals with Mirvac Projects regarding Bay 16 and future leases in ATP. Under the proposals, our existing lease in Bay 16, which expires in October 2020, will not be impacted by the planned renovation. Additionally, under the proposals, we have arranged to enter into two new leases with the landlord for new spaces in ATP. The new leases will each have a ten-year term and will not contain the current same early termination clause. The two new locations together occupy approximately 1,700-1,750 sq.m., which is more than the 1,400 sq.m. we currently occupy in Bay 16. Based on the current plans, taking into account the estimated time required for fit-out works and obtaining relevant approvals from TEQSA, one space, which will occupy 1,050 sq.m. and is located in a new building in ATP, is expected to become ready for campus use by June 2019 (please refer to the dotted outline with a star on the map in the section headed "— Top Education Institute"). The second space, which will occupy 650–700 sq.m. and is located in the Locomotive Workshop, is expected to become ready for campus use by August 2020 (please refer to the dotted outline of Bay 4 of the Locomotive Workshop on the map in the section headed "— Top Education Institute"). We will move into each of the new locations as they become ready and we will no longer occupy Bay 16 after the move.

Expansion

To support further growth in our operations, we plan to lease additional space in new locations to expand our campus and administrative offices. We have negotiated with a landlord at ATP for the lease of 514.5 sq.m. of space in the International Business Centre building ("**IBC**") from February 2018 through to the end of August 2019. The IBC is part of ATP and is close to our existing campus facilities. Additionally, it is close to the railway station, which would improve convenience of access by our students. Preparing this location for use as our campus and administrative offices will require obtaining the relevant approvals and fitting-out the spaces, and we expect the spaces to be ready for the first intake of students at the beginning of the 2019 academic year.

INTERNAL CONTROL AND RISK MANAGEMENT

We utilise an integrated risk management system to minimise and protect against a range of strategic, operational, business, financial and legal risks. Through our risk management system, we seek to manage and reduce risks, encourage effective and reliable communication, maintain legal and regulatory compliance and ensure the quality of our education provision.

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Our risk management system is spread across all levels of governance and management. We have a designated risk management committee, headed by our founder Dr. Zhu, which is responsible for monitoring potential Institute-wide risks or risk factors, coordinating risk analysis and assessment activities, suggesting mitigation strategies to the Council and Academic Board, implementing approved changes and reviewing our risk management and assessment framework (the “**Risk Framework**”). The Council and the Academic Board regularly assess risk and review risk assessment reports. Our Board is the ultimate decision-making authority but the Council is the body that oversees the regular monitoring of potential risks and risk factors at an organisational level while the Academic Board and its subcommittees are responsible for managing academic risks. Our Principal and administrative management team are responsible for managing non-academic risks such as regulatory compliance, finance management and others.

Our Risk Framework is drafted primarily based on regulatory requirements, particularly TEQSA’s risk assessment and threshold standards and education provider registration standards, which covers issues such as learning environment, teaching and governance and accountability. Please see the section headed “Regulatory Overview” for more information. We also take into consideration further risk factors that could affect our business and operations such as major economic or political developments relevant to our Institute, acts of god and general business risks. We periodically update our Risk Framework and carry out risk assessments in accordance with the framework. During our risk assessments, we identify potential risks, evaluate the likelihood of occurrence, severity of potential impact, mitigation strategies and persons responsible for overseeing the risk management.

APPROVALS, ACCREDITATIONS AND REGISTRATIONS

During the Track Record Period, we obtained various approvals, accreditations and registrations for our operations. The following table sets out the major approvals, accreditations and registrations we have received:

<u>First date of grant</u>	<u>Latest date of renewal</u>	<u>Approvals, accreditations and registrations</u>	<u>Issuing authority</u>	<u>Validity period</u>
2004	March 2015	Registration as an education provider with international students	CRICOS	5 year renewal, without conditions — 24 March 2020
2010	N/A	Added to JSJ List of recognised Australian universities and higher education providers	Ministry of Education of China	Ongoing
2012	April 2015	Registration as a higher education provider	TEQSA	7 year renewal, without conditions — 5 March 2022
2013	2017	Approval for the pathway program with GUFU	Ministry of Education in China	5 years
2015	N/A	Added to OCSC list of recognised Australian universities and higher education providers	Thai government	Ongoing
2015	September 2015	Accreditation of Bachelor of Laws course	LPAB	2 years, plus 1 year automatic renewal

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<u>First date of grant . . .</u>	<u>Latest date of renewal</u>	<u>Approvals, accreditations and registrations</u>	<u>Issuing authority</u>	<u>Validity period</u>
2017	N/A	Approval for the pathway program with Shandong Polytechnic College	Ministry of Education in China; Shandong Provincial Education Department	5 years
2017	N/A	Approval for program with Henan Institute of Economics and Trade	Henan Provincial Education Department	3 years

The following table sets out certain of our currently pending applications for approval:

<u>Date of application</u>	<u>Approvals, accreditations and registrations</u>	<u>Issuing authority</u>	<u>Validity period</u>
30 December 2016	Submitted application for self-accreditation authority	TEQSA	Under assessment

During the Track Record Period and up to the Latest Practicable Date, as advised by our Australian Legal Adviser, we had obtained all the requisite governmental licences, permits, approvals and certifications, as well as renewals thereof which are necessary for our operations in Australia and had complied, in all material aspects, with all applicable Australian laws and regulations.

INTELLECTUAL PROPERTY

We use in our award courses and non-award programs various course materials or presentations that were prepared by us, our academic staff or third parties through licensing arrangements. We non-exhaustively rely on the laws and regulations of patent, copyright and trademark, as well as contracts signed by our staff to protect our intellectual property rights. Under our standard academic staff contracts, we own the rights to any materials developed while such academic staff are engaged by us for the purposes of teaching our classes. Under our Alliance Agreement with PwC Australia, intellectual property rights for any course materials created for SCDP belong to us and rights created from the provision of other PwC Australia services belong to PwC Australia, unless otherwise agreed upon. As at the Latest Practicable Date, we were in the process of registering our logo in Hong Kong, Australia and China.

In Australia, we have received an adverse report from IP Australia regarding our application. Since receiving the adverse report we have engaged a trademark specialist to further analyse the situation and file a declaration in response to the adverse report with IP Australia on 9 April 2018. On 19 April 2018, the trademark specialist received notice that the trademark application for our logo has been accepted. Our logo will be advertised in the Australian Official Journal of Trade Marks on 26 April 2018. If no opposition is filed, our trademark application will proceed to registration. For Hong Kong, the Intellectual Property Department in Hong Kong has given us an initial response that no citations have been raised against our trademark application. In the PRC, we have not, as at the Latest Practicable Date, received a response from the Chinese Trade Mark Office. We have not received any notice that our current use of our logo breaches any third parties' intellectual property rights in Australia, Hong Kong and PRC as at the Latest Practicable Date.

BUSINESS

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any infringement of any other person's intellectual property or infringement of our intellectual property by others that would have a material adverse impact on our business and we were not involved in any proceedings involving infringement of intellectual property rights.

HEALTH AND SAFETY

We are dedicated to protecting the health and safety of our students and staff. Our policies include critical incident response and reporting measures. We also have in place a set of safety and security measures which are included in the student handbook. During the Track Record Period and up to the Latest Practicable Date, we did not experience any serious accident, medical situation or safety issue.

INSURANCE

In addition to the government-mandated employment entitlements, we maintain workers' compensation insurance, director and officer management insurance, professional indemnity insurance, public liability insurance for premises. We believe that our insurance coverage is adequate and is in line with industry practice in Australia. During the Track Record Period and up to the Latest Practicable Date, we have not had any material claims or liabilities arising from any accidents relating to our operations. During the Track Record Period and up to the Latest Practicable Date, we had not made, neither had we been the subject of, any insurance claims which are of a material nature.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

We may from time to time be subject to various legal or administrative proceedings arising in the ordinary course of our business such as proceedings in respect of disputes with suppliers or students or infringement of intellectual property rights. During the Track Record Period and up to the Latest Practicable Date, there were no material legal proceedings, regulatory inquiries or investigations made or pending or threatened against us.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme), our Company will be owned at to approximately 33.95% by the Controlling Shareholders Group, being a group of individuals acting in concert with each other. Details of the confirmation deed entered into by the members of the Controlling Shareholders Group are set out under the section headed “History, Reorganisation and Company Structure — Confirmation Deed” in this prospectus. All the members of the Controlling Shareholders Group will be our controlling shareholders immediately after the Listing.

Save as mentioned above, there is no other person who will, immediately following completion of the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme), be directly or indirectly interested in more than 30% or more of the Shares in issue.

Competing Interests

Save and except for their respective interest in our Company, none of the members of the Controlling Shareholders Group nor any of their respective associates had interests in any other companies that compete or are likely to compete, either directly or indirectly, with the business of our Company during the Track Record Period and as at the Latest Practicable Date.

Undertakings

The Controlling Shareholders Group has given certain undertakings in respect of the Shares (including those as required by Rule 10.07(1) and Note (3) to Rule 10.07(2) of the Listing Rules) to our Company, the Stock Exchange, Joint Global Coordinators and the Underwriters. Please refer to the section headed “Underwriting — Undertakings” in this prospectus for further details.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

The Directors consider that we are capable of carrying our business independent of the members of the Controlling Shareholders Group and their respective associates following the Listing.

Management Independence

Our Board comprises two executive Directors, three non-executive Directors, one alternate Director to a non-executive Director and four independent non-executive Directors. Save as disclosed in the section headed “Directors and Senior Management” in this prospectus, there is no other relationship among the Directors. Notwithstanding that Dr. Zhu, an executive Director, is a member of the

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Controlling Shareholders Group, our Directors are of the view that our Company is capable of maintaining management independence as:

- our strategies, management, operations and affairs are formulated, led, managed and/or supervised by our Board and not by any individual Director. All major and important corporate actions of our Company are and will be fully deliberated and determined by our Board objectively as a collective body;
- pursuant to the terms of the service contracts entered into between our Company and the executive Directors, every executive Director is required to devote substantially the whole of his/her time, attention and abilities during normal business hours and such additional hours as may reasonably be requisite to our Company;
- in the event that there is a potential conflict of interest in or arising out of any transaction to be considered and approved by our Board, the interested Director(s) shall abstain from voting at the relevant meeting of our Board considering and approving such transaction and shall not be counted towards the quorum of such Board meeting unless this is otherwise permitted under the Australian Corporations Act, the Constitution and/or the Listing Rules;
- we have four independent non-executive Directors, who are not associated with the members of the Controlling Shareholders Group or their respective associates. Resolutions of our Board approving any matters in which any of the executive Directors has a potential conflict of interest and/or material interest will only be considered and approved by the independent non-executive Directors (as under the provisions of the Constitution and the Listing Rules, the executive Directors will then be prohibited from voting on the resolution(s) and will not be counted towards the quorum of the relevant Board meetings at which the relevant resolution(s) is/are approved). The independence of our Board's decisions in respect of any matters in which any of our executive Directors has a potential conflict of interest and/or material interest is and can be ensured;
- our Company has established corporate governance procedures in safeguarding the interests of the Shareholders and enhancing Shareholders' value. Each Director is fully aware of his/her fiduciary duty to us, and will abstain from voting on any matter where there is or may be a conflict of interest as required under and in accordance with the Australian Corporations Act, the Constitution and the Listing Rules; and
- our Board from time to time delegates certain functions to, and is assisted by, its senior management in the implementation of the business plan and strategy as laid down by our Board. Our day-to-day management and operations is operated independently from the influence of the members of the Controlling Shareholders Group and their respective associates.

Operational Independence

Our Company has its own organisational structure made up of divisions including management and administration, finance and accounting, sales and marketing, education provision, and other divisions. Each division has a clear delineation of duties and functions as determined by our Board to promote efficiency, effectiveness and quality in the development of our business.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

As a corporate governance body, the Council oversees and monitors our academic functions and is responsible for the determination of its framework principles in accordance with Australian higher education standards and the segregation of our governance and management system to ensure the academic freedom and independence of our higher education provision.

We have independent access to sources of suppliers necessary for the operation of our business as well as customers which are all Independent Third Parties. We hold the licences and registrations necessary for the operation of our business.

Financial Independence

We have established our own internal control, risk management and financial system (including bank accounts) that operate independently. Besides, we have our own accounting and finance department. During the Track Record Period and as at the Latest Practicable Date, there were no outstanding loans or amounts owing to or by and financial assistance provided to or by members of the Controlling Shareholders Group and/or their respective close associates. As such, the Directors are of the view that we are able to obtain external financing on market terms and conditions for its business operations as and when required and are not financially dependent on the Controlling Shareholders Group, Directors, related parties or any of their respective associates in the operation of its business.

DEED OF NON-COMPETITION

Each member of the Controlling Shareholders Group has entered into the Deed of Non-competition in favour of our Company, pursuant to which each of the covenantors has undertaken to us that with effect from the Listing Date, he would not and would procure that none of his associates shall, except through his interests in our Company, whether as principal or agent and whether undertaken directly or indirectly, either on their own account or in conjunction with or on behalf of any person, corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, among other things, carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, directly or indirectly, any business which is, directly or indirectly, in any respect in competition with or similar to or is likely to be in competition with our business in Australia or such other places as we may conduct or carry on business from time to time including but not limited to the PRC (“**Restricted Business**”).

Each member of the Controlling Shareholders Group has further undertaken to our Company that, with effect from the Listing Date, in the event that any of them and/or any of their associates (except for our Company) is offered or becomes aware of any future business opportunity that may, directly or indirectly, compete with the Restricted Business (“**Competing Business Opportunity**”), he:

- shall promptly notify our Company in writing and refer such Competing Business Opportunity to our Company for consideration and provide such information as reasonably required by our Company in order to enable it to come to an informed assessment of such Competing Business Opportunity; and
- shall not, and shall procure his associates (other than our Company) not to, invest or participate in any project or the Competing Business Opportunity unless such project or the Competing Business Opportunity has been rejected by our Company and in respect of such

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

projects and Competing Business Opportunity, the principal terms on which the relevant member of the Controlling Shareholders Group or his respective associates shall invest or participate are no more favourable than those made available to our Company.

Each member of the Controlling Shareholders Group has further undertaken to our Company that, with effect from the Listing Date, they shall not and shall procure that none of their associate (except for our Company) shall directly or indirectly:

- at any time induce or attempt to induce any of our Director, manager or employee or consultant to terminate his or her employment or consultancy (as applicable) with us, whether or not such act of that person would constitute a breach of that person's contract of employment or consultancy (as applicable); or
- at any time employ any person who has been our Director, manager, employee of or consultant who is or may be likely to be in possession of any confidential information or trade secrets relating to the Restricted Business; or
- alone or jointly with any other person through or as manager, adviser, consultant, employee or agent for or shareholder in any person, firm or company, in competition with us, canvass, solicit or accept orders from or do business with any person with whom done business or solicit or persuade any person who has dealt with us or is in the process of negotiating with us in relation to the Restricted Business to cease to deal with us or to reduce the amount of business which the person would normally do with us or seek to improve their terms of trade with us.

The above undertakings do not apply where the members of the Controlling Shareholders Group and/or their respective associates have interests in the shares or any securities of a company that engages in the Restricted Business whose shares are listed on a recognised stock exchange provided that (a) the total number of shares held by the relevant members of the Controlling Shareholders Group and/or their respective associates in aggregate shall not exceed 10% of the issued shares of that class of our company in question; (b) the members of the Controlling Shareholders Group and their respective associates are not entitled to appoint a majority of the directors of that company; and (c) at any time there should exist at least another shareholder of that company whose shareholdings in that company is more than the total number of shares held by the members of the Controlling Shareholders Group and their respective associates in aggregate.

Further, the members of the Controlling Shareholders Group have undertaken that they will use their best endeavours and will procure their associates (except for members of our Company) to use their best endeavours to procure that their respective employees and any company under their control, whether individually or jointly, directly or indirectly (except for those within our Company), to observe the restrictions and undertakings contained in the Deed of Non-competition.

The members of the Controlling Shareholders Group represented and warranted that, as at the date of the Deed of Non-competition, none of them or any of the persons or companies in their control was interested or engaging, directly or indirectly, in (whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) the Restricted Business otherwise through us or is otherwise engaged in any business which is in competition or material competition to those of us.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Under the Deed of Non-competition, the members of the Controlling Shareholders Group further undertake to, and covenant with, our Company that during the period for which the Deed of Non-competition is in force:

- they shall allow, and shall procure that the relevant associates to allow the independent non-executive Directors to review, at least on an annual basis, whether the members of the Controlling Shareholders Group are in compliance with the Deed of Non-competition;
- they shall provide all information necessary for the annual review by the independent non-executive Directors and the enforcement of the Deed of Non-competition;
- our Company shall disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance and enforcement of the Deed of Non-competition either through the annual report, or by way of announcement to the public; and
- they shall provide our Company with a confirmation annually for inclusion by our Company in the annual report, in respect of their compliance with the terms of the Deed of Non-competition.

The undertakings given by each of the members of the Controlling Shareholders Group under the Deed of Non-competition shall lapse and the respective member of the Controlling Shareholders Group shall be released from the restrictions imposed on him upon the occurrence of the earliest of any of the following events or circumstances:

- (a) the day on which the Shares cease to be listed on the Stock Exchange;
- (b) the day on which the relevant member of the Controlling Shareholders Group and/or his/its associates cease to hold, taken together, 30% or more of the issued share capital of our Company or otherwise the Controlling Shareholders Group ceases to be a controlling shareholder of our Company; or
- (c) with respect to respective member of the Controlling Shareholders Group, the day on which the relevant member of the Controlling Shareholders Group ceases to beneficially own or is no longer interested in any issued share capital of our Company.

CORPORATE GOVERNANCE MEASURES

To further protect the interests of the independent Shareholders, our Company will adopt the following corporate governance measures to manage any potential conflicts of interest:

- the independent non-executive Directors will review, on an annual basis, the compliance with the Deed of Non-competition by the members of the Controlling Shareholders Group;
- each of the members of the Controlling Shareholders Group undertakes to provide all information requested by us which is necessary for fulfilment of the Deed of Non-competition, including the annual review by the independent non-executive Directors;

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- our Company will disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance with the Deed of Non-competition in our Company's annual reports; and
- the members of the Controlling Shareholders Group will make an annual declaration in relation to their compliance with the Deed of Non-competition in the annual reports of our Company.

Further, any transaction that is proposed between our Company and the members of the Controlling Shareholders Group and/or their respective associates will be required to comply with the requirements of the Listing Rules including, where appropriate, the reporting, annual review, announcement and independent shareholders' approval requirements.

CONNECTED TRANSACTIONS

We have entered into certain transactions with certain persons who will become our connected persons upon the Listing under the Listing Rules, the details of which are set out below. The transactions disclosed in this section will continue after the Listing and hence, upon the Listing, will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

A. CONNECTED PERSONS

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

B. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Alliance Agreement

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

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

(a) Reasons for the transactions

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

CONNECTED TRANSACTIONS

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

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

(b) Historical transaction amounts

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

	Historical transaction amounts			
	for the year ended 30 June			for the four months ended
	2015	2016	2017	31 October 2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Total	—	—	536	451

Proposed annual caps and basis

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

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

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

- (i) **SCDP:** We intend to increase SCDP cohorts from one in the year ended 30 June 2017 to four cohorts annually starting from the year ending 30 June 2018. The maximum number of students is 40 per cohort, and the first cohort of the year ending 30 June 2018 was completed in July 2017 with 31 students in attendance. This expected increase in frequency of the SCDP is based on student feedback. It is expected that the transaction amounts under SCDP will increase for the year ending 30 June 2018 and remain relatively stable for the two years ending 30 June 2020;
- (ii) **Corporate training:** Our corporate training is co-branded with PwC Australia and we work with PwC Australia representatives in developing course materials and content where relevant. As at 31 October 2017, we have had more than 10 corporate training clients. We

CONNECTED TRANSACTIONS

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

- (iii) **Digital services including virtual reality:** We have built an innovative VR application with PwC Australia's assistance, which is already being used in one of our accounting units. We plan to further enhance our capability in this area with PwC Australia's assistance, growing our VR modules and other digital education methods to further supplement traditional classroom learning. This includes the development of online SCDP programs, which has commenced as at the Latest Practicable Date with an initial module and will create a new revenue stream for us. Therefore, it is expected that there will be an increasing demand for PwC Australia's digital and VR services during the three years ending 30 June 2020, in particular starting from the year ending 30 June 2019 upon completion of the Listing;
- (iv) **Professional services:** It is expected that a majority of the PwC Australia Services to be used for the year ending 30 June 2018 will be professional accounting (such as financial reporting, forecast and modelling etc.) and tax (such as tax reporting and filing etc.) related services for the purpose of the Listing, resulting in a significant increase in the proposed annual cap for the year ending 30 June 2018. We leverage on the expertise of PwC Australia to facilitate our preparation of financial statements, forecast and modelling, tax computation and filing as well as to advise us on other miscellaneous professional accounting and tax related issues. Notwithstanding that we have engaged reporting accountants and internal control adviser in relation to our proposed Listing, they are mainly responsible for performing independent audit on our financial statements as well as independent review on our internal control and financial reporting system, and will not be involved in the underlying preparation work due to independence issue. Upon Listing, it is expected that our demand for PwC Australia's professional services will significantly decrease for the two years ending 30 June 2020, resulting in a decrease in proposed annual cap for the two years ending 30 June 2020 accordingly.

(c) Implications under the Listing Rules

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

C. APPLICATION FOR WAIVERS

The transactions under the Alliance Agreement constitute our continuing connected transactions under Chapter 14A of the Listing Rules, which are subject to the reporting, annual review and announcement requirements of the Listing Rules. As these non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis, our Directors (including our

CONNECTED TRANSACTIONS

independent non-executive Directors) consider that compliance with the above announcement requirements will be impractical, will add unnecessary administrative costs and will be unduly burdensome.

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

D. DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that the continuing connected transactions pursuant to the Alliance Agreement have been entered into, and will be carried out (i) in the ordinary and usual course of business; (ii) on normal commercial terms; (iii) on terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (iv) that the annual caps of these continuing connected transactions are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

Further, our Directors (including our independent non-executive Directors) are of the view that it is in the interests of our Company and our Shareholders as a whole to have the Alliance Agreement with a term longer than three years, after taking into account the strategic benefits of such agreement as discussed in the section headed “Business — Competitive Strengths” in this prospectus. It is also a normal business practice for alliance arrangements of this type to be of such duration for better collaboration and planning among the parties.

E. SOLE SPONSOR'S VIEWS

The Sole Sponsor is of the view that the continuing connected transactions pursuant to the Alliance Agreement have been and will be entered into in the ordinary and usual course of our business, are based on normal commercial terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps of these continuing connected transactions are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

Further, the Sole Sponsor also concurs with our Directors' view that it is a normal business practice, and in the interest of our Company and our Shareholders for the Alliance Agreement to be of such duration of longer than three years.

DIRECTORS AND SENIOR MANAGEMENT

GENERAL

The table below sets out certain information concerning our Directors and members of senior management:

<u>Name</u>	<u>Age</u>	<u>Date of joining our Company</u>	<u>Current position in our Company</u>	<u>Date of appointment as Director</u>	<u>Key role and responsibilities</u>
Dr. Minshen Zhu 祝敏申	68	2 October 2001	Executive Director, chairman of our Board, Chief Executive Officer, and Principal	2 October 2001 (re-designated as an executive Director on 18 April 2018)	Corporate strategic planning and overall business development, management of our Company as well as participating in the day-to-day management of our business operations, and member of the nomination committee
Ms. Sumeng Cao 曹蘇萌	34	6 June 2011	Executive Director, Vice President (External Engagement)	27 October 2017 (re-designated as an executive Director on 18 April 2018)	Formulating and implementing our corporate strategies and participating in the day-to-day management of our business operations
Mr. Amen Kwai Ping Lee 李桂平	58	2 October 2001	Non-executive Director	2 October 2001 (re-designated as a non-executive Director on 18 April 2018)	Attendance of board meetings to perform duties as a Board member but not participating in the day-to-day management of our business operations, and member of the remuneration committee
Mr. Thomas Richard Seymour	47	27 May 2016	Non-executive Director	27 May 2016 (re-designated as a non-executive Director on 18 April 2018)	Attendance of board meetings to perform duties as a Board member but not participating in the day-to-day management of our business operations
Mr. Kai Zhang 張愷	39	27 May 2016	Alternate Director to Mr. Thomas Richard Seymour	27 May 2016	Attendance of board meetings to perform duties as a Board member but not participating in the day-to-day management of our business operations
Mr. Jing Li 李晶	37	29 July 2016	Non-executive Director	29 July 2016 (re-designated as a non-executive Director on 18 April 2018)	Attendance of board meetings to perform duties as a Board member but not participating in the day-to-day management of our business operations

DIRECTORS AND SENIOR MANAGEMENT

<u>Name</u>	<u>Age</u>	<u>Date of joining our Company</u>	<u>Current position in our Company</u>	<u>Date of appointment as Director</u>	<u>Key role and responsibilities</u>
Professor Weiping Wang 王衛平	66	18 April 2018	Independent non-executive Director	18 April 2018	Supervising and providing independent judgment on the business and operations of our Company, and acting as a member of the audit committee and as a member of the nomination committee
Professor Brian James Stoddart	71	18 April 2018	Independent non-executive Director	18 April 2018	Supervising and providing independent judgment on the business and operations of our Company, and acting as the chairman of the nomination committee
Mr. Tianye Wang 王天也	59	18 April 2018	Independent non-executive Director	18 April 2018	Supervising and providing independent judgment on the business and operations of our Company, and acting as the chairman of the audit committee and as a member of the remuneration committee
Professor Steven Schwartz	71	18 April 2018	Independent non-executive Director	18 April 2018	Supervising and providing independent judgment on the business and operations of our Company, and acting as a member of the audit committee and as the chairman of the remuneration committee
<u>Name</u>	<u>Age</u>	<u>Date of joining our Company</u>	<u>Current position in our Company</u>	<u>Key role and responsibilities</u>	
<i>Senior management</i>					
Ms. Sumeng Cao 曹蘇萌	34	6 June 2011	Vice President (External Engagement); please refer to the section headed “Board of Directors” above for her role as an executive Director	Setting up strategic and business development plans and operations of our Company in relation to marketing, recruitment and business channels	
Ms. Rongning Xu 徐榕寧	31	3 June 2009	Vice President (Regulatory & Compliance)	Implementing academic policies and procedures of TOP, and administrative rules and regulations of TEQSA as well as the management of academic affairs, operations and risk management of our Company	

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board is responsible for and has general powers over the management and conduct of our business. It consists of ten Directors including two executive Directors, three non-executive Directors, four independent non-executive Directors and one alternate Director.

Executive Directors

Dr. Minshen Zhu 祝敏申, aged 68, is the Chairman, executive Director, chief executive officer and principal of our Company and is a member of our nomination committee. Dr. Zhu is primarily responsible for the overall management, education and business development, and strategic planning of our Company.

Dr. Zhu has over 16 years of experience within the private higher education industry in Australia. Since founding our Company in October 2001, Dr. Zhu has been a Director and the secretary of our Company. From 2009, Dr. Zhu has served in our Company as the chief executive officer and principal. Dr. Zhu is also the chairman of the risk management committee. Before founding and joining our Company, Dr. Zhu held key management positions in a number of multinational corporations in various industries, including international trading.

In addition to his employment positions above, Dr. Zhu has been appointed to various academic and public advisory roles. Since 2008, Dr. Zhu has been a Board Member of the Confucius Institute of the University of Sydney, an institute primarily engaged in the promotion of Chinese language and culture. Dr. Zhu was also appointed as a member of the NSW-East Asia Business Council of the New South Wales Government in 2000, the NSW-Asia Business Advisory Council from September 2003 to June 2007, the Asia Business Council from September 2007 to June 2010 which all principally engage in the promotion and research of continued economic development and competitiveness of the Asia region. From August 2012 to September 2013, he was a member of the Chinese Ministerial Consultative Committee of the Australian Federal Government, which is principally engaged in the promotion of the needs, interests and concerns of the Chinese community in Australia. In September 2013, Dr. Zhu was appointed as a member of the China Overseas Exchange Association (“COEA”) for four years. Since September 2017, Dr. Zhu has been an executive council member of the COEA. Dr. Zhu has been invited to attend the 12th National Committee of the Chinese People’s Political Consultative Conference in March 2014.

Dr. Zhu graduated with a Bachelor of Chinese Language and Literature in January 1982 from Fudan University, China, and a Doctor of Philosophy in Far Eastern History from the Australian National University, Australia in September 1989. Further, Dr. Zhu completed an executive training program in Crisis Leadership in Higher Education in March 2010 from the Harvard Graduate School of Education of Harvard Kennedy School in the United States.

Dr. Zhu has also been involved in the publication of an academic reference book on university-level calligraphy in 1985 as chief-editor, “The Shuowen Jiezi, the Dawn of Studies of the Ancient Characters” (Fudan University Press, 1999) as an author, and the article “Labor Structure vs Education” (BOAO Forum for Asia, 2013) as part of the annual publications for the BOAO Forum for Asia in 2013.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Zhu was a director of the following companies incorporated in Australia at the time of their dissolutions or within one year prior to their dissolutions:

<u>Name of company</u>	<u>Principal business activity or nature of business prior to dissolution</u>	<u>Date of dissolution/ deregistration</u>	<u>Means of dissolution</u>	<u>Reasons for dissolution</u>
J.A. International (Holdings) Pty. Ltd	International trade	10 July 1999	Deregistration	No business operations
Citifashion Finance Australia Pty Ltd	Fashion industry investment	30 September 2000	Deregistration	No business operations
Super-star Development Pty Ltd	Garment manufacture	29 December 2002	Deregistration	No business operations
The Australian Chinese Times (Publication) Pty Ltd	Publication	25 August 2003	Deregistration	No business operations
Bridge Investment Group Pty Ltd	Investment	25 August 2003	Deregistration	No business operations
AC Media Pty Ltd ⁽¹⁾	Media	22 May 2005	Deregistration	No business operations
Australia Tourism Training Group Pty Ltd	Tourism service and training	7 August 2005	Deregistration	No business operations
Top International Development & Investment Pty Ltd	Informational investment and trading	21 November 2007	Deregistration	No business operations
Australian-Chinese Press Pty. Limited	Media	22 April 2008	Deregistration	No business operations
Super-star Industry Pty. Limited	Property development	25 August 2010	Deregistration	No business operations
V-Star Resources Pty Ltd	International trading	14 October 2012	Deregistration	No business operations

Note:

(1) The winding up process of AC Media commenced on 12 August 2002 involving a total creditors' claim amount of approximately AUD\$1.7 million. The winding up process was completed on 24 January 2005. The liquidators acting on this case confirmed that Dr. Zhu is free from any liability in relation to the past trading of AC Media Pty Ltd. As a result of their investigations, it was noted that Dr. Zhu was a creditor of AC Media Pty Ltd.

Dr. Zhu confirmed that the above companies were not in operations immediately prior to their dissolutions, there is no wrongful act on his part leading to the dissolutions, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolutions, and that no misconduct or misfeasance has been involved in the dissolutions of these companies.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Sumeng Cao 曹蘇萌, aged 34, is our executive Director.

Ms. Cao has over five years of experience in the education industry. Ms. Cao joined our Company in June 2011 as a marketing officer and was promoted to be a marketing manager of our Company in July 2012. Further, she was appointed as the Co-Director of Professional Year Programs of our Company in September 2013 and was primarily responsible for the marketing and the management of these programs. In April 2014, Ms. Cao was the executive assistant to the Principal of TOP and was then promoted in July 2015 as the Assisting Principal (External Engagement), followed by her promotion as the Vice President (External Engagement) of TOP in July 2017. She has since been responsible for setting up the strategic and business development plan and operations of TOP in relation to marketing, recruitment and business channels. In addition, Ms. Cao has been TOP's Chief Operating Officer of the alliance programs with PwC Australia since May 2016, being primarily responsible for the strategic planning of the Alliance Agreement and execution of the business activities between TOP and PwC Australia.

Ms. Cao graduated with a Master of Translating and Interpreting in September 2008 from Macquarie University, Australia, and a Master of Professional Accounting from the University of Technology, Australia in August 2010. Ms. Cao has received pre-admission for the Executive Doctorate in Business Administration program of Université Paris-DAUPHINE in July 2017.

Ms. Cao was a supervisor of the following company incorporated in the PRC prior to its dissolution:

<u>Name of company</u>	<u>Principal business activity or nature of business prior to dissolution</u>	<u>Date of dissolution/ deregistration</u>	<u>Means of dissolution</u>	<u>Reasons for dissolution</u>
Tianjin Aolang Education Technology Co Ltd. . . .	English language training	28 July 2017	Deregistration	No business operations

Ms. Cao confirmed that the above company was not in operations immediately prior to its dissolution, there is no wrongful act on her part leading to the dissolution, she is not aware of any actual or potential claim which has been or will be made against her as a result of the dissolution, and that no misconduct or misfeasance has been involved in the dissolution of the above company.

Non-executive Directors

Mr. Amen Kwai Ping Lee 李桂平, aged 57, is our non-executive Director. Mr. Lee joined our Company as our Director in November 2001 and is a member of our remuneration committee.

Mr. Lee has over 30 years of experience in management. From 1983 to June 2017, Mr. Lee was a managing director of Transways Group Pty Ltd, a company founded by him which is primarily engaged in the provision of logistics services, where he was responsible for business and strategic development and business management. He is currently a chairman of Transway Group Pty Ltd.

Mr. Lee completed a Diploma of Competence in Freight Forwarding in Montreal, Canada, certified by the International Federation of Freight Forwarders Association in September 1993. Mr. Lee was conferred a Doctorate degree in Business and administration in December 2015 by Westcliff University in the United States.

DIRECTORS AND SENIOR MANAGEMENT

In May 1988, Mr. Lee was appointed as an associate fellow of the Australian Institute of Management. Mr. Lee was appointed as a justice of the peace of New South Wales in May 1989 and was awarded the medal of the Order of Australia in the General Division in Australia in January 2009.

Mr. Lee was a director of the following companies incorporated in Australia prior to their dissolutions:

<u>Name of company</u>	<u>Principal business activity or nature of business prior to dissolution</u>	<u>Date of dissolution/ deregistration</u>	<u>Means of dissolution</u>	<u>Reasons for dissolution</u>
Bushridge Pty Ltd	Investment	27 February 1992	Deregistration	No business operation
Zabport Pty Limited	Freight export and import	18 September 1996	Deregistration	No business operation
Davies, Lee & Co Pty Limited	Property investment	7 October 1997	Deregistration	No business operation
Fibece Pty Ltd	Freight forwarding	21 November 1997	Deregistration	No business operation
Transways Freight International (Australia) Pty Limited	Freight forwarding	11 September 1998	Deregistration	No business operation
East-West E-business Centre Pty Ltd.	Digital media	28 April 2001	Deregistration	No business operation
Super-star Development Pty Ltd	Garment manufacture	29 October 2002	Deregistration	No business operation
Wells Cargo Agencies Pty Ltd	Freight forwarders	10 October 2004	Deregistration	No business operation
TRP Pty Limited	Business consulting	6 November 2005	Deregistration	No business operation
Translink Shipping Pty Limited	Freight forwarding	4 March 2008	Deregistration	No business operation
Super-Star Industry Pty Limited	Property development	25 August 2010	Deregistration	No business operation
Golden Kingdom Group Pty Ltd	Homeware imports	22 September 2011	Deregistration	No business operation
Australia Foshan International Trading Pty Ltd.	Imports and exports	19 September 2013	Deregistration	No business operation
BDT Transport Pty Ltd	Freight forwarding	13 January 2016	Deregistration	No business operation
Premier Plus Consulting Pty Ltd	Business consulting	23 August 2017	Deregistration	No business operation

DIRECTORS AND SENIOR MANAGEMENT

Mr. Lee confirmed that the above companies were not in operations immediately prior to their dissolutions, there is no wrongful act on his part leading to the dissolutions, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolutions, and that no misconduct or misfeasance has been involved in the dissolutions of these companies.

Mr. Thomas Richard Seymour, aged 47, is our non-executive Director.

Mr. Seymour has over 10 years of experience in management. He joined our Company in which he has been a Director since May 2016. Prior to this, Mr. Seymour joined PwC Australia as a graduate in 1994 and was admitted to the PwC Australia partnership in 2002. Since 2002, Mr. Seymour has served as a PwC Australia partner, and was appointed a member of the executive board of PwC Australia since 2012. Since 2015, Mr. Seymour has been a member of the PwC Australia Global Tax leadership team and has been responsible for leading PwC Australia’s Asia Pacific and Americas tax business. Since 2016, he has been the managing partner of PwC Australia’s Financial Advisory business, and has been responsible for overseeing and managing PwC Australia’s tax, deals, legal, and private client’s businesses.

Mr. Seymour graduated with a Bachelor of Business (Accountancy) in March 1992 from Queensland University of Technology, Australia, and a Bachelor of Laws in February 1994 from Bond University, Australia. Mr. Seymour is currently holding a Certificate of Public Practice, awarded by The Institute of Chartered Accountants in Australia (now known as CAANZ) in September 2002.

Mr. Jing Li 李晶, aged 37, is our non-executive Director.

Mr. Li has over five years of experience in management. Since May 2012, he has been serving as a director in Yantai Metastar Special Paper Co., Ltd, a company primarily engaged in the production and of paper listed on the National Equities Exchange and Quotations (“NEEQ”) (Stock Code: 833394). Since September 2014, he has served as a supervisor in Sichuan Neo-Life Stem Cell Biotech Inc, a company primarily engaged in stem cell research and the provision of stem cell biological technology services. Since June 2015, he has been the supervisor of Beijing ZIZHUHUI Construction Services Co. Ltd, a company primarily engaged in construction and is listed on the NEEQ (Stock Code: 834243). Mr. Li has been a Director of our Company since July 2016.

Mr. Li graduated with a Bachelor of Mechanical Engineering in October 2004 from McGill University, Canada, and a Master of Science in Mechanical Engineering from Stanford University, United States in April 2006.

Mr. Li was a chairman and general manager of the following company incorporated in the PRC prior to its dissolution:

<u>Name of company</u>	<u>Principal business activity or nature of business prior to dissolution</u>	<u>Date of commencement of dissolution procedure/ date of dissolution</u>	<u>Means of dissolution</u>	<u>Reasons for dissolution</u>
Fujian Jiayin Channel Equity Investment Management Co. Ltd .	Investment management	10 October 2015	Deregistration	Shareholders have decided to change investment decision

DIRECTORS AND SENIOR MANAGEMENT

Mr. Li confirmed that the above company was not in operations immediately prior to its dissolution, there is no wrongful act on his part leading to the dissolution, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolution, and that no misconduct or misfeasance has been involved in the dissolution of the above company.

Independent Non-executive Directors

Professor Weiping Wang 王衛平, aged 66, has been appointed as our independent non-executive Director on 18 April 2018 and is a member of the audit committee and nomination committee.

Professor Wang has over 20 years of experience in higher education. Professor Wang had been vice president and executive vice president of the Shanghai Medical University since 1996 and 1998, respectively. In July 2005, Professor Wang was appointed as executive vice-president of Fudan University until April 2011, during which he has responsible for managing hospital affairs and overseeing international exchange and medical education. From March 2012 to March 2016, Professor Wang served as the Chairman of the Teaching Steering Committee of Fudan University. In June 2016, He was appointed as an independent non-executive director of Rici Healthcare Holdings Limited, a company principally engaged in the hospital services listed on the Stock Exchange (stock code: 1526), where he has been re-designated as an executive director since June 2017.

Professor Wang was accredited as a higher education institution teacher in September 1996 by the State Education Commission of the PRC and as a Professor of Pediatrics in December 1994 by Shanghai Medical University (上海醫科大學). He was awarded the Shanghai Higher Education Institute Teaching Award (上海高校教學名師獎) in July 2009 by the Shanghai Education Committee.

Professor Wang graduated with a Medical degree in August 1978 and a Master degree in Medicine in October 1982, from Norman Bethune University (白求恩醫科大學), now known as Norman Bethune College of Medicine of Jilin University (吉林大學) in China. Professor Wang also graduated with a PhD in Medicine in December 1988 from Shanghai Medical University in China.

Professor Brian James Stoddart, aged 71, has been appointed as our Independent Non-executive Director on 18 April 2018 and is a member of the Council. He is the chairman of the nomination committee.

Professor James Stoddart has over 20 years of experience in higher education. Before joining our Company in which he has been a Foundation Chair of the Council since 2008, Professor Stoddart held various academic positions at numerous Universities in Australia. From 1997 to 1998, Professor Stoddart was an academic director of Royal Melbourne Institute of Technology. He also held vice-chancellor and deputy vice-chancellor positions at University of New England, Victoria University of Technology, and La Trobe University from 1998 to 2003, 2003 to 2004, and 2005 to 2006 respectively. From March 2007 to March 2008, Professor Stoddart served as Deputy Vice-Chancellor (Research) with the University of Newcastle, Australia. Professor Stoddart was technical adviser to the Department of Higher Education in Cambodia from 2010 to 2013. From 2013 to 2014, Professor Stoddart then served as consultant for Australia Awards Bhutan, an entity outsourced by the Australian government to manage the Australia Awards Scholarships awarded to Bhutanese citizens to study in Australia. In addition, he provides certain services to our Company from time to time, such as preparing meeting documentations and correspondence with TEQSA.

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Professor Stoddart graduated with a Bachelor of Arts in English, History, and Asian Studies in May 1969 and a Master of Arts in History in May 1970 from the University of Canterbury, New Zealand. Professor Stoddart subsequently graduated with a Doctor of Philosophy in May 1976 from the University of Western Australia.

Mr. Tianye Wang 王天也, aged 59, has been appointed as our independent non-executive Director on 18 April 2018. He is the chairman of the audit committee and member of the remuneration committee.

Mr. Wang has over 20 years of experience in management and accounting services. From February 1981, Mr. Wang began his employment at the Beijing Branch of Bank of China, and from 1991 to 1993, Mr. Wang served as manager of the foreign currency department of the Beijing Branch of the Bank of China, a financial institution providing financial services. He also held various positions in companies listed on the Stock Exchange. He was executive director and chief executive officer of Central China Real Estate Limited (stock code: 0832), a company principally engaged in residential property development, from November 2004 to June 2012, executive director of Top Spring International Holdings Limited (stock code: 3688), a company principally engaged in real-estate development, from September 2012 to March 2018, and independent non-executive director of China Logistics Property Holdings Company Limited (stock code: 1589), a company principally engaged in premium logistics facilities, since June 2016. He has also been the independent non-executive director of Henan Pinggao Electric Company Limited (stock code: 600312), a company listed on the Shanghai Stock Exchange, since September 2014.

Mr. Wang graduated with a degree in international finance from the Renmin University School of Finance in July 1985. Mr. Wang then graduated with a Master of Applied Finance in April 1996 from the Macquarie University, Australia, and was also admitted as a Senior Associate of the Australian Institute of Banking and Finance in April 1996.

Mr. Wang was an executive director, general manager, and legal representative of the following company incorporated in the PRC at the time of or within one year prior to its dissolution:

<u>Name of company</u>	<u>Principal business activity or nature of business prior to dissolution</u>	<u>Date of commencement of dissolution procedure/ date of dissolution</u>	<u>Means of dissolution</u>	<u>Reasons for dissolution</u>
Changzhou Top Spring Advertisement Co Ltd (常州萊蒙廣告有限 公司).....	Advertising	13 September 2013	Deregistration	Shareholders have decided to change investment decision

Mr. Wang confirmed that the above company was not in operations immediately prior to its dissolution, there is no wrongful act on his part leading to the dissolution, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolution, and that no misconduct or misfeasance has been involved in the dissolution of the above company.

Professor Steven Schwartz, aged 71, has been appointed as our independent non-executive Director on 18 April 2018 and is a member of the Council. He is the chairman of the remuneration committee and a member of the audit committee of our Company.

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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. In May 2013, he was appointed to the Council for the Humanities, Arts and Social Sciences of Canberra in Australia as the chief executive officer, and has been the chairman of the Australian Curriculum Assessment and Reporting Authority since June 2015.

Professor Schwartz was awarded the Order of Australia in January 2013 and was appointed as a fellow of the Academy of Social Sciences in Australia in 1991. From 2011 to 2013, he was the chairman of the Australian American Fulbright Commission, a foreign exchange scholarship programme in United States. He is currently a honorary senior fellow of the LH Martin Institute of the University of Melbourne, which is a national institute aiming to serve the tertiary education sector in Australia and New Zealand.

Professor Schwartz obtained his degree in Bachelor of Arts from the Brooklyn College of the City University of New York in June 1967. He then obtained his Master Degree in Psychology and his PhD from Syracuse University in New York in January 1970 and June 1971, respectively.

Professor Schwartz was a director of the following company incorporated in Australia within one year prior to its dissolution:

<u>Name of company</u>	<u>Principal business activity or nature of business prior to dissolution</u>	<u>Date of dissolution/ deregistration</u>	<u>Means of dissolution</u>	<u>Reasons for dissolution</u>
AM-SI Pty Ltd	Investment holding	26 August 2003	Deregistration	No business operations

Professor Schwartz confirmed that the above company was not in operations immediately prior to its dissolution, there is no wrongful act on his part leading to the dissolution, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolution, and that no misconduct or misfeasance has been involved in the dissolution of the above company.

Alternate Director to Mr. Seymour

Mr. Kai Zhang 張愷, aged 39, has been appointed as the alternate Director to Mr. Seymour since 27 May 2016.

Mr. Zhang has over five years of experience in accounting services. He has been employed by PwC Australia since 2011 and was appointed as a partner of PwC Australia in July 2012. Since July 2013, he has been serving as the national lead partner of the China Desk at PwC Australia.

Mr. Zhang was awarded the Graduate Diploma (ICAA) in December 2005 by the Institute of Chartered Accountants in Australia (now known as CAANZ), and was subsequently admitted as a member of the Institute of Chartered Accountants in Australia in May 2006. In July 2012, Mr. Zhang was admitted as a fellow of the Tax Institute in Australia.

Mr. Zhang graduated with a Bachelor of Economics in July 2001 from Fudan University, China, and a Master of Practising Accounting in October 2004 from Monash University, Australia. In May 2005, Mr. Zhang completed the Graduate Diploma of Business Administration from La Trobe

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University, Australia. Subsequently, Mr. Zhang graduated with a Master of laws (Juris Doctor) in May 2012 from the Monash University, and a Master of Tax from the University of Melbourne in August 2012.

Mr. Zhang was a director of the following companies incorporated in Australia prior to their dissolutions:

<u>Name of company</u>	<u>Principal business activity or nature of business prior to dissolution</u>	<u>Date of dissolution/ deregistration</u>	<u>Means of dissolution</u>	<u>Reasons for dissolution</u>
LKZ Pty Ltd ⁽¹⁾ . . .	Trustee of dental business of spouse	16 February 2002	Creditor's voluntary winding-up	Insolvency
Tax & Co Pty Ltd . .	Dormant	20 March 2015	Deregistration	No business operations

Note:

- (1) The liquidation of LKZ Pty Ltd was commenced on 10 January 2001 on the ground that it was not able to meet its financial commitments as a result of a downturn in work, non-settlement of amounts from clients and increase of operation costs.

Mr. Zhang confirmed that the above companies were not in operations immediately prior to their dissolutions, there is no wrongful act on his part leading to the dissolutions, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolutions, and that no misconduct or misfeasance has been involved in the dissolutions of these companies.

Save as disclosed above, each of our Directors confirms with respect to himself/herself that (a) he/she does not have any relationship with any other Directors, senior management or substantial Shareholders or Controlling Shareholders; (b) he/she does not have any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the date of this prospectus; (c) there is no other information that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules; (d) he/she does not have any interests in Shares within the meaning of Part XV of the SFO; and (e) there are no other matters that need to be brought to the attention of our Shareholders and potential investors.

SENIOR MANAGEMENT AND JOINT COMPANY SECRETARIES

Our senior management is responsible for the day-to-day management and the implementation of and operation of our business.

Ms. Sumeng Cao 曹蘇萌

For details about the biography of Ms. Cao, please refer to this section headed “— Executive Directors” in this prospectus.

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Ms. Rongning Xu 徐榕寧

Ms. Xu, aged 31, has been the Vice President (Regulatory & Compliance) of our Company and is responsible for the implementation of academic policies and procedures of TOP, and the administrative rules and regulations of TEQSA as well as the management of the academic affairs, operations and risk management of TOP.

Ms. Xu has over four years of experience in the education industry. Ms. Xu joined our Company in June 2009 as a Casual Tutor and served in this role until October 2010, during which she was responsible for teaching and academic matters. From November 2010 to January 2012, Ms. Xu was employed by Nanjing Da Lve Industry Trade Co. Ltd, a company principally engaged in goods trading, as senior project manager. Ms. Xu then re-joined our Company as Lecturer and Academic Programs Coordinator in August 2013. From September 2013 to December 2013, Ms. Xu served as Co-Director of Professional Year Program. From December 2013 to February 2016, Ms. Xu served as an acting director of business programs. Ms. Xu was then promoted to be a senior lecturer and an Associate Dean of Business School since February 2016 until she assumed the current role as the Vice President (Regulatory and Compliance) of our Company in June 2017.

Ms. Xu obtained her Bachelor of Financial Administration in April 2008 and her Master of Commerce (Accounting and Finance) from the University of New England in April 2009. Ms. Xu was admitted to full membership of CPA Australia in August 2013. In September 2014, Mr. Xu obtained her Postgraduate Certificate of Higher Education in learning and teaching from Macquarie University in Australia.

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, our senior management has not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this prospectus.

Ms. Min Ying and Ms. Yuk Yin Ivy Chow are the joint company secretaries of our Company.

Ms. Min Ying 應珉

Ms. Min Ying, aged 30, is one of the joint company secretaries of our Company, and has been a company secretary of our Company since April 2017.

Ms. Ying joined our Company in July 2013 as a tutor of TOP. From December 2013 to June 2014, Ms. Ying was employed by Lambda Chase Pty Ltd, a firm of chartered accountants as a manager where she was responsible for matters in relation to accountancy services. In July 2014, Ms. Ying re-joined our Company as accountant of our Company and was appointed as IPO project manager in December 2016, where she was responsible for IPO project coordination and analysis of the performance of education companies in various equity markets.

Ms. Ying obtained her Bachelor of Engineering from the Chinese University of Hong Kong in December 2009 and her Master of Accounting (CPA Extension) in July 2012 from Macquarie University in Australia. In January 2017, she was admitted to full membership of CPA Australia.

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Ms. Yuk Yin Ivy Chow

Ms. Yuk Yin Ivy Chow, aged 47, was appointed as one of the joint company secretaries of our Company in September 2017. Ms. Chow has over 20 years of experience in the corporate secretarial field.

Since January 2003, she has been working in the group companies of Tricor Services Limited, a global professional services provider specializing in integrated Business, Corporate and Investor Services, with her latest and current position as Director, Corporate Services Division, where she has been responsible for the provision of professional corporate secretarial services to companies listed on the Stock Exchange and other multinational, private and offshore companies. Prior to that, Ms. Chow worked with PricewaterhouseCoopers Limited in various positions in the company secretarial section of its tax department from March 1994 to January 2003 for provision of professional corporate secretarial services.

Ms. Chow has been a member of both the Hong Kong Institute of Chartered Secretaries (“HKICS”) and the Institute of Chartered Secretaries and Administrators in the United Kingdom (“ICSA”) since April 1998 and a fellow of the HKICS and the ICSA since December 2012. Ms. Chow has also been a member of the Hong Kong Securities and Investment Institute since November 2012. Ms. Chow obtained her Bachelor of Arts degree in Business Studies from the Hong Kong Polytechnic University in October 1992.

AUDIT COMMITTEE

We have established an audit committee with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system of our Company, oversee the audit process, provide advice and comments to our Board and perform other duties and responsibilities as may be assigned by the Board.

The audit committee consists of three members, namely Mr. Tianye Wang, Professor Steven Schwartz and Professor Weiping Wang. The chairman of the audit committee is Mr. Tianye Wang who is an independent non-executive Director with the appropriate professional qualifications.

REMUNERATION COMMITTEE

We have established a remuneration committee with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to establish, review and make recommendations to our Directors on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

The remuneration committee consists of three members, namely Professor Steven Schwartz, Mr. Tianye Wang and Mr. Amen Kwai Ping Lee. The chairman of the remuneration committee is Professor Steven Schwartz.

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NOMINATION COMMITTEE

We have established a nomination committee with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the nomination committee are to review the structure, size and composition of our Board, assess the independence of the independent non-executive Directors and make recommendations to our Board on the appointment and re-appointment of Directors and succession planning for Directors.

The nomination committee consists of three members, namely Professor Brian James Stoddart, Professor Weiping Wang and Dr. Zhu. The chairman of the nomination committee is Professor Brian James Stoddart.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and members of our senior management receive compensation from our Company in the form of salaries, bonuses and other benefits in kind such as contributions to pension plans.

For each of the financial years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, the aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, discretionary bonuses, housing and other allowances and other benefits in kind) paid to our then Directors (of which, only Dr. Zhu, Mr. Lee and Mr. Jing Li received such remuneration) was approximately AUD\$279,000, AUD\$1,613,000, AUD\$455,000 and AUD\$331,000, respectively. Save as disclosed above, no other emoluments have been paid or are payable, in respect of each of the financial years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017 by our Company.

The aggregate amount of remuneration (including fees, salaries, contributions to superannuation funds, discretionary bonuses, and other allowances and other benefits in kind) paid to our Company's five highest paid individuals for the three years ended 30 June 2017 and the four months ended 31 October 2017 were approximately AUD\$947,000, AUD\$2,565,000, AUD\$1,472,000 and AUD\$676,000, respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors or the five highest paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

None of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the Listing, receive recommendation from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Company.

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Save as disclosed in this prospectus, no other payments had been made, or are payable, by any member of our Company to our Directors or the five highest paid individuals during the Track Record Period.

For additional information on our Directors' remuneration during the Track Record Period as well as information on the five highest paid individuals, please refer to Notes 11 and 12 to the Accountants' Report set out in Appendix I to this prospectus.

WAIVER GRANTED BY THE STOCK EXCHANGE

Management Presence

We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant to us, a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules in relation to the requirement of management presence in Hong Kong. For details of the waiver, please see the section headed "Waivers from Strict Compliance with the Listing Rules — Management Presence in Hong Kong."

COMPLIANCE ADVISER

Our Company has appointed China Galaxy International Securities (Hong Kong) Co., Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules.

The material terms of the compliance adviser's agreement entered into between our Company and our compliance adviser are as follows:

- (1) our compliance adviser shall provide our Company with services including guidance and advice as to compliance with the requirements of the Listing Rules and other applicable laws, rules, codes and guidelines, and accompany our Company to any meetings with the Stock Exchange;
- (2) our Company may terminate the appointment of our compliance adviser by giving 30 days' prior written notice to the compliance adviser. Our Company will exercise such right in compliance with Rule 3A.26 of the Listing Rules. The compliance adviser will have the right to terminate its appointment as compliance adviser under certain specific circumstances and upon notification of the reason of its resignation to the Stock Exchange; and
- (3) during the period of appointment, our Company must consult with, and if necessary, seek advice from our compliance adviser on a timely basis in the following circumstances:
 - (a) before the publication of any regulatory announcement, circular or financial report;
 - (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
 - (c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results materially deviate from any forecast, estimate, or other information in this prospectus; and

DIRECTORS AND SENIOR MANAGEMENT

- (d) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

CORPORATE GOVERNANCE

Pursuant to code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of Chairman and Chief Executive Officer of our Company are both performed by Dr. Zhu. Our Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same individual would enable our Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Dr. Zhu's extensive industrial experience and significant role in the historical development of our Company, the Board believes that it is beneficial to the business prospects of our Company that Dr. Zhu continues to act as both our Chairman and Chief Executive Officer after the Listing, and the balance of power and authority is sufficiently maintained by the operation of our Board, comprising the executive Directors, non-executive Directors, and independent non-executive Directors.

Save as disclosed above, as at the Latest Practicable Date, our Directors consider that our Company has fully complied with the applicable code provisions as set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering, the following persons will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

<u>Name of Shareholder</u>	<u>Nature of interest</u>	Shares held immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into consideration any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme)	
		<u>Number</u>	<u>Approximate percentage</u>
Dr. Zhu	Beneficial owner; interest held jointly with other persons ⁽¹⁾	853,308,000	33.95%
Ms. Xing Shi Huang	Interest of a spouse ⁽²⁾	853,308,000	33.95%
Mr. Yang	Beneficial owner ⁽⁴⁾ ; interest in controlled corporation ⁽³⁾ ; interest held jointly with other persons ⁽¹⁾	853,308,000	33.95%
Ms. Chen Shuling	Interest of a spouse ⁽⁴⁾	853,308,000	33.95%
Billion Glory	Beneficial owner ⁽³⁾ ; interest held jointly with other persons ⁽¹⁾	853,308,000	33.95%
Tristar United	Beneficial owner; interest held jointly with other persons ⁽¹⁾	853,308,000	33.95%
Mr. Lee	Beneficial owner; interest held jointly with other persons ⁽¹⁾	853,308,000	33.95%
Ms. Josephine Kam Shan Lam	Interest of a spouse ⁽⁵⁾	853,308,000	33.95%
Mr. Wang	Beneficial owner; interest held jointly with other persons ⁽¹⁾	853,308,000	33.95%
Ms. Liu Zhuo	Interest of a spouse ⁽⁶⁾	853,308,000	33.95%
Xinjiang Guoli	Beneficial owner	351,180,000	13.97%
PwC Nominees	Trustee ⁽⁷⁾	264,708,000	10.53%

SUBSTANTIAL SHAREHOLDERS

		Shares held immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into consideration any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme)	
<u>Name of Shareholder</u>	<u>Nature of interest</u>	<u>Number</u>	<u>Approximate percentage</u>
PwC Australia	Beneficial owner ⁽⁷⁾	264,708,000	10.53%
Loyal Creation	Beneficial owner	224,096,000	8.92%
Mr. Wang Weiping	Interest in a controlled corporation ⁽⁸⁾	224,096,000	8.92%

Notes:

- (1) Members of the Controlling Shareholders Group are parties acting in concert and on 13 October 2017, they entered into a confirmation deed to, among others, confirm their acting-in-concert agreement. Immediately following completion of the Global Offering and assuming that the Over-allotment Option is not exercised at all and without taking into consideration any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme, all the members of the Controlling Shareholders Group will together control approximately 33.95% of the total share capital of our Company. Under the SFO, each member of the Controlling Shareholders Group will be deemed to be interested in the Shares beneficially owned by the other members of the Controlling Shareholders Group.
- (2) Ms. Xing Shi Huang is the spouse of Dr. Zhu and is deemed to be interested in the shareholding interests of Dr. Zhu by virtue of the disclosure requirements of the SFO.
- (3) Mr. Yang directly holds 150,002,000 Shares, representing approximately 5.97% of the total share capital of our Company and Billion Glory, which is wholly-owned by Mr. Yang, directly holds 59,524,000 Shares, representing approximately 2.37% of the total share capital of our Company. Accordingly, Mr. Yang is deemed to be interested in 59,524,000 Shares held by Billion Glory by virtue of the disclosure requirements of the SFO.
- (4) Ms. Chen Shuling is the spouse of Mr. Yang and is deemed to be interested in the shareholding interests of Mr. Yang by virtue of the disclosure requirements of the SFO.
- (5) Ms. Josephine Kam Shan Lam is the spouse of Mr. Lee and is deemed to be interested in the shareholding interests of Mr. Lee by virtue of the disclosure requirements of the SFO.
- (6) Ms. Liu Zhuo is the spouse of Mr. Wang and is deemed to be interested in the shareholding interests of Mr. Wang by virtue of the disclosure requirements of the SFO.
- (7) PwC Nominees is the registered owner of the Shares and holds the Shares as a bare trustee for PwC Australia as the sole beneficiary of a trust under a trust arrangement between PwC Nominees and PwC Australia. Accordingly, PwC Australia is deemed to be interested in 264,708,000 Shares held by PwC Nominees as nominee and bare trustee by virtue of the disclosure requirements of the SFO.
- (8) Mr. Wang Weiping holds 40% of the issued share capital of Loyal Creation, which holds 224,096,000 Shares, and accordingly, Mr. Wang Weiping is deemed to be interested in 224,096,000 Shares held by Loyal Creation by virtue of the disclosure requirements of the SFO.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed above and in the section headed “Appendix IV — Statutory and General Information — D. Further Information about Our Directors” in this prospectus, our Directors are not aware of any person who will, immediately following the completion of the Global Offering and assuming that the Over-allotment Option is not exercised and without taking into consideration any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme, have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Company.

We are not aware of any arrangement which may result in any change of control in our Company at any subsequent date.

SHARE CAPITAL

As at the date of this prospectus, all the issued Shares in our Company comprise fully-paid ordinary shares. Under the Australian Corporations Act, registered companies do not have an authorised capital and there is no concept of “par value” in respect of issued shares.

Shares issued and to be issued, fully paid or credited as fully paid:

Shares in issue as at the date of this prospectus	1,885,028,000
Shares to be issued pursuant to the Global Offering	<u>628,400,000</u>
Total	<u>2,513,428,000</u>

ASSUMPTION

The above table assumes that the Global Offering has become unconditional. It takes no account of any Shares which (a) may be issued pursuant to the exercise of the Over-allotment Option; (b) may be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan; (c) issued upon the exercise of any options granted under the Share Option Scheme; or (d) which may be allotted and repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below or otherwise.

RANKING

The Shares are ordinary Shares in the share capital of our Company and rank *pari passu* in all respects with all Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid after the date of this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company has only one class of Shares, namely ordinary Shares, each of which ranks *pari passu* with the other Shares.

Pursuant to the Australian Corporations Act and the terms of the Constitution, our Company may from time to time (i) increase its capital; (ii) consolidate its capital into Shares of larger amount; (iii) divide its Shares into classes; (iv) subdivide its Shares into capital of smaller amount; and (v) reduce or redeem its share capital. For more details, please see the section headed “Appendix III — Summary of the Constitution and the Australian Corporations Act — 8. Alteration of capital” in this prospectus.

Pursuant to the Australian Corporations Act and the terms of the Constitution, all or any of the special rights attached to the Share or any class of Shares may be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that class. For more details, please see the section headed “Appendix III — Summary of the Constitution and the Australian Corporations Act — 16. Variation of rights” in this prospectus.

SHARE CAPITAL

GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares, securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares or such convertible securities and to make or grant offers, agreements or options which might require such Shares, securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares or such convertible securities to be allotted and issued or dealt with at any time subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, shall not exceed the sum of:

- (i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and without taking into consideration any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme); and
- (ii) the nominal amount of the share capital repurchased by our Company (if any) pursuant to the repurchase mandate (as mentioned below).

This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or scrip dividend scheme or similar arrangements or a specific authority granted by our Shareholders.

This mandate to issue Shares will remain in effect until:

- (i) the conclusion of our next annual general meeting; or
- (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Constitution; or
- (iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest. New issues of Shares will need to comply with Australian laws and the Listing Rules.

For further details of this general mandate, please see the section headed “Appendix IV — Statutory and General Information — A. Further Information About Our Company — 3. Resolutions in writing of our Shareholders passed on 18 April 2018” in this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of our share capital in issue immediately following completion of the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and without taking into consideration any

SHARE CAPITAL

Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme).

This mandate relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and regulations and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed “Appendix IV — Statutory and General Information — A. Further Information About Our Company — 4. Repurchase of our Shares” in this prospectus.

This general mandate to repurchase Shares will remain in effect until:

- (i) at the conclusion of our next annual general meeting; or
- (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Constitution; or
- (iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest.

For further details of this general mandate, please see the section headed “Appendix IV — Statutory and General Information — A. Further Information about Our Company — 3. Resolutions in Writing of our Shareholders passed on 18 April 2018” in this prospectus.

FINANCIAL INFORMATION

The following discussion and analysis of our financial condition and results of operations are based on and should be read in conjunction with the financial statements of our Company as at and for the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, including the notes thereto, as set out in the Accountants' Report in Appendix I to this prospectus. Our financial information has been prepared in accordance with IFRSs.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed elsewhere in this prospectus, particularly in the sections headed "Risk Factors" and "Forward-Looking Statements".

OVERVIEW

We are a private higher education provider in Australia. We currently have two academic divisions, TOP Business and TOP Law, with a total of 23 accredited undergraduate and postgraduate courses in business and law, as at 31 October 2017. In 2016, PwC Nominees became a substantial shareholder in TOP and PwC Australia entered into an Alliance Agreement with us. In addition to higher education award courses, we also offer non-award programs and corporate training programs. With respect to student enrolment, we recorded a total of 861, 949 and 1,036 EFTSL for the years ended 30 June 2015, 2016 and 2017, respectively, which comprised mostly international students, particularly from China.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are affected by numerous factors. Some of the key factors are set out below:

Demand for Higher Education in Australia from Chinese International Students

During the Track Record Period, we derived the vast majority of our revenue from tuition for our higher education award courses and over 86% of our students were international students from China. As such, our financial condition and results of operations are significantly affected by the demand for higher education courses in Australia from Chinese international students.

Key factors that drive demand for higher education in Australia from Chinese international students include the macroeconomic conditions in China and student interest in studying in Australia. According to Ipsos, Australia was the second most popular destination for Chinese students studying overseas after the United States, with over 150,000 Chinese students studying in Australia in 2016. The number of Chinese students studying overseas at all education levels, in Australia is expected to grow at a CAGR of 4.2% between 2017 and 2021, according to Ipsos. As China's economy continues to grow, more students are likely to be able to afford overseas education. Australia is a popular choice for tertiary education as its education and professional degrees and accreditations are generally recognised around

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the world and it is closer in proximity to China compared with other popular destinations such as the United States, the United Kingdom and Canada. In recent years, changes to Australian immigration laws have helped encourage students to travel to Australia for study. In 2016, the SSVF set out a regime which allows certain categories of students to apply for visas through a streamlined process. Currently, the Department of Home Affairs in Australia categorises students from China in the “low risk” category, allowing them to use a simplified visa application process which does not require further evidence of financial capacity or English language ability. Australia also has a system of laws in place to oversee and protect the rights of students from overseas, particularly under the ESOS Act, which is the primary legislation regarding provision of education to international students. Changes in general economic and political conditions and living standards in Australia, or in other competitor destination countries such as the United States, United Kingdom and Canada, are also factors that can impact the number of Chinese international students interested in studying in Australia.

Student Enrolment

Our revenue is primarily driven by tuition and other fees from students enrolled for our higher education award courses. As such, our ability to attract new students and retain students will affect our financial conditions and results of operations.

Student enrolment is generally dependent on a number of factors, including the reputation of our Institute, the courses that we offer, the capacity of our Institute and our tuition and fees. We believe that our dedication and focus on providing quality higher education courses and excellent student experience has helped distinguish us from competing institutions. We are the only for-profit non-university higher education provider listed on the JSJ List of 42 recognised Australian universities and higher education providers, which helps increase awareness and interest in our Institute in China. In the last three years, our student enrolment increased from 861 EFTSL for the year ended 30 June 2015 to 1,036 EFTSL for the year ended 30 June 2017.

Student enrolment is also influenced by the type of courses that we offer. We have historically focused on providing higher education award courses for business studies, in particular in accounting, as these courses are popular among students seeking to qualify for internationally-recognised professional accreditations which are beneficial for graduate employment and immigration purposes. In 2016, we expanded our Institute to include TOP Law which has attracted interest from a new demographic of students, particularly domestic students. We intend to continue to expand our course offerings to meet student interest and market demand. Student interest is also influenced by the reputation of our Institute and our courses. We compete with various universities and non-university higher education providers in Australia that offer courses in the same fields. In order to distinguish ourselves from our competitors, we rely on establishing a reputation of quality education provision and good student experience.

The student enrolment capacity of our Institute is another factor which can affect student enrolment. Regulatory requirements limit our student enrolment capacity for international students and we currently have an approved capacity number of 1,500 for international students with the ability to enrol up to 10% more. In order to allow for further growth of student enrolment, we will need to obtain further regulatory approvals and may need to further expand our facilities.

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Tuition

Our revenue is significantly affected by the tuition rates we charge. Tuition is generally paid prior to the census date of each term. Tuition rates are set by us primarily based on demand for our courses, the cost of our services and the tuition rates of our competitors. Our tuition rates for domestic students are generally lower than those for international students as a result of government regulations and policies supporting domestic students. For the 2018 academic year, for domestic students, tuition rates range from AUD\$12,000 to AUD\$17,000 per year for undergraduate courses and AUD\$17,000 to AUD\$20,000 per year for postgraduate courses. For international students, tuition rates are AUD\$20,000 per year for undergraduate courses and range from AUD\$23,000 to AUD\$36,000 per year for postgraduate courses.

During the Track Record Period, we raised our tuition rates for international students once in September 2016 which started to become effective in November 2016 and the increased tuition rates only applied to new international students that enrolled after the tuition rate increase was introduced. The increase in tuition rates was to reflect changes in the higher education market and our alliance with PwC Australia. According to Ipsos, our average tuition rates were priced at the premium side compared to similarly situated private higher education providers. We believe that our Institute's quality and reputation, combined with our alliance with PwC Australia, supports our tuition fee rates. As we continue to expand our Institute and build upon our alliance with PwC Australia, we intend to explore further opportunities to increase our tuition rates in the future. Increases in tuition may discourage some students from enrolling in our Institute. However, if we are able to increase our tuition rates while maintaining or continuing to increase our student enrolment, we will be able to improve our financial condition and results of operation.

Government Regulations and Policies

Our business is impacted by government regulations and policies in a number of ways. The Australian government has adopted certain laws, regulations and policies regarding higher education, such as subsidies for domestic students. Furthermore, the higher education sector in Australia is closely regulated by TEQSA and our Institute and courses are subject to TEQSA regulations and requirements in order to obtain or renew the relevant accreditations. As a higher education provider with a substantial number of international students, we are also required to maintain registration on CRICOS and we are subject to the ESOS Act which oversees education provision to international students. Maintaining compliance with government regulations and policies requires us to invest time and resources, particularly by senior management, which may affect our operations and profitability. Moreover, these regulations may directly impact our operations by placing conditions on our registrations or accreditation of our courses and Institute or limiting our student enrolment capacity. Laws and regulations may be enacted or interpreted in ways that we do not predict, which may impact our operations, financial condition and results of operations.

Changes in government regulations and policies may also broadly impact the higher education industry. For example, increased standards for accreditation or registration of higher education providers would pose barriers to entry to the industry, thus decreasing our competition. Additionally, in recent years, government financial support for public universities has decreased leading to increased tuition rates at public universities and across the higher education market, which makes our courses more attractive and provides us room to increase our tuition rates accordingly.

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Furthermore, because the majority of our students are international students, changes to Australian immigration laws and policies also impact our business. In 2016, Australia introduced the SSVF system which allowed students from China to enter the country for education through a streamlined visa application process, and has contributed to an increase in the number of Chinese international students studying in Australia. Additionally, applicants for Australian permanent residency have an advantage if they have obtained certain professional and education qualifications, such as accounting. Some of our courses and unit offerings help students obtain such qualifications and thus attract students interested in pursuing Australian permanent residency. Changes to Australian immigration policies regarding such qualifications may also impact demand for our courses.

Our Ability to Control Costs and Expenses

Our profitability depends in part on our ability to control our operating costs and expenses. During the Track Record Period, our total cost of sales, administrative expenses, advertising and marketing expenses and other operating expenses amounted to AUD\$10.2 million, AUD\$12.9 million and AUD\$14.7 million for the years ended 30 June 2015, 2016 and 2017, respectively, and AUD\$7.5 million for the four months ended 31 October 2017. These mainly comprised employee benefits expense and agent commissions.

Total employee benefits expenses amounted to AUD\$3.5 million, AUD\$6.1 million and AUD\$5.7 million for the years ended 30 June 2015, 2016 and 2017, respectively, and AUD\$2.3 million for the four months ended 31 October 2017. These expenses primarily related to salaries and benefits of our employees, the majority of whom are academic staff members. The overall increase in employee benefits expenses between the year ended 30 June 2015 and the year ended 30 June 2017 primarily reflected the expansion of our staff to support our new TOP Law and new course offerings while maintaining a low staff-to-student ratio during the Track Record Period, as well as our efforts to retain qualified academic staff by increasing compensation to continuously improve the quality of education we provide. To the extent that our employee benefits expenses continue to increase, our profitability may be affected.

Agent commissions amounted to AUD\$3.6 million, AUD\$3.4 million and AUD\$4.0 million for the years ended 30 June 2015, 2016 and 2017, respectively, and AUD\$1.6 million for the four months ended 31 October 2017. These related to commissions we pay to agents who provided services to assist mainly international students in applying for admission to our Institute. These agents charge us commissions as a percentage of the relevant student's tuition for each term. As is standard in the higher education market, agents commission rates vary depending upon the course, year and type of student. Commission rates are typically higher for undergraduate courses than they are for postgraduate courses. A higher commission rate is typically charged for the first year and lower rates for subsequent years of the course. The commission rates are primarily determined by market conditions, the performance of the agent and our history and relationship with the agent. Changes in the commission rates will cause the amount of our commission expenses to increase or decrease accordingly and therefore affect our results of operation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our financial statements. Some of these accounting policies involve subjective assumptions and estimates, as well as complex judgements, relating to accounting item based on information and financial data that may change in future periods. We set out below those accounting policies that we believe are of critical

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importance to us or involve the most significant estimates used in the preparation of our financial statements. Our significant accounting policies, judgements and estimates, which are important for an understanding of our financial condition and results of operations, are set out in further detail in Notes 2 and 3 to the Accountants' Report set out in Appendix I to this prospectus.

Revenue Recognition

We recognise revenue from tuition and non-tuition fees when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to us. Revenue is recognised after the price is fixed or determinable, and services are provided. We generally receive tuition from student in advance at the beginning of each term and such tuition is initially recorded as deferred income and reflected as a current liability as such amounts represent revenue that we expect to earn within one year. Tuition is recognised proportionately over the relevant period of the applicable course.

Property, Plant and Equipment

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purposes are:

- teachers reference books: 14.3%–33.3%
- plant and equipment: 20%–25%
- classroom and office equipment: 25%

In determining the useful life and residual value of an item of property, plant and equipment, we have to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on our experience with similar assets that are used in a similar way. The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at each financial year end based on changes in circumstances.

Intangible Assets

Intangible assets are measured by the amount of capitalised development expenditures less accumulated amortisation and any impairment losses. During the Track Record Period, we primarily incurred costs for the development of our undergraduate and postgraduate courses in accounting, finance and law. Capitalised costs include internal salary costs, external consultants' costs and other incremental costs directly related to course development activities. Expenditures incurred on projects to develop new courses are capitalised and deferred only when we can demonstrate that they fulfil the capitalisation criteria as stipulated in IAS38 Intangible Assets paragraph 57, namely: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale, (ii) our intention to complete and ability to use or sell the asset, (iii) our ability to use or sell the asset, (iv) how the asset will

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generate future economic benefits, (v) the availability of resources to complete the project and (vi) the ability to measure reliably the expenditures during the development (the “**Capitalisation Criteria**”). We have designated personnel and processes in place to perform assessments of the fulfillment of the Capitalisation Criteria in order for expenditures incurred on new courses development projects to be capitalised and deferred. We record those course development expenditures which satisfy the Capitalisation Criteria as our intangible assets. In making this assessment, we create business plans to set out the technical feasibility of completing the development of the course and how we intend to use or sell it. Once course development is completed, we utilise those assets capitalised as materials to support our higher education courses and/or other programs that we offer to our customers. The capitalised assets are generated by work conducted by our internal staff and/or costs directly incurred by external consultants we hire. We keep time sheets and work logs to measure the development costs relating to these assets.

Amortisation is calculated on a straight-line basis over the commercial life of the underlying higher education course not exceeding seven years and commencing from the date when the course was implemented. Our management assesses impairment based on whether there have been any significant changes with an adverse effect on us historically or that our management may foresee in the near future within our market, economic or legal environment. Taking these factors into consideration, we analyse projected profit margins for each of our courses and compare it against the relevant capitalised development costs. Accordingly, there was no indication any of the capitalised development costs would need to be impaired during the Track Record Period.

Taxation

Income tax comprises current and deferred tax. Significant judgment is required in interpreting the relevant tax rules and regulation so as to determine whether we are subject to corporate income tax. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes us to change our judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made.

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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30 June						Four months ended 31 October			
	2015		2016		2017		2016		2017	
	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue
							(unaudited)			
Revenue	17,114	100.0	17,408	100.0	21,138	100.0	7,484	100.0	8,994	100.0
Cost of sales	(7,712)	(45.1)	(8,055)	(46.3)	(9,977)	(47.2)	(3,151)	(42.1)	(3,780)	(42.0)
Gross profit	9,402	54.9	9,353	53.7	11,161	52.8	4,333	57.9	5,214	58.0
Other income	426	2.5	417	2.4	315	1.5	94	1.3	118	1.3
Administrative expenses	(1,762)	(10.3)	(3,591)	(20.6)	(3,448)	(16.3)	(1,017)	(13.6)	(3,357)	(37.3)
Advertising and marketing expenses	(635)	(3.7)	(1,161)	(6.7)	(1,199)	(5.7)	(408)	(5.5)	(365)	(4.1)
Other operating expenses	(98)	(0.6)	(61)	(0.4)	(60)	(0.3)	(8)	(0.1)	—	—
Profit before income tax	7,333	42.8	4,957	28.5	6,769	32.0	2,994	40.0	1,610	17.9
Income tax expenses	(2,572)	(15.0)	(1,515)	(8.7)	(2,167)	(10.3)	(901)	(12.0)	(513)	(5.7)
Profit for the year/period	<u>4,761</u>	<u>27.8</u>	<u>3,442</u>	<u>19.8</u>	<u>4,602</u>	<u>21.8</u>	<u>2,093</u>	<u>28.0</u>	<u>1,097</u>	<u>12.2</u>

Revenue

Revenue is primarily derived from (i) tuition for award courses and non-award programs and (ii) non-tuition fees. Tuition consists of amounts received or receivable for undergraduate and postgraduate award courses and for non-award programs such as intensive accounting units designed for non-award students and SCDP. Non-tuition fees consist of amounts received or receivable for corporate training programs and miscellaneous student fees such as enrolment fees.

FINANCIAL INFORMATION

The following table sets out our revenue by category for the periods indicated:

	Year ended 30 June						Four months ended 31 October			
	2015		2016		2017		2016		2017	
	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000	% of total revenue	AUD\$'000 (unaudited)	% of total revenue	AUD\$'000	% of total revenue
Tuition										
Bachelor of International Business ⁽¹⁾										
	3,832	22.4	4,828	27.7	6,235	29.5	2,194	29.3	2,603	28.9
Bachelor of Applied Finance and Accounting ⁽²⁾										
	—	—	173	1.0	973	4.6	297	4.0	652	7.3
Bachelor of Laws										
	—	—	206	1.2	687	3.3	223	3.0	405	4.5
Total undergraduate										
	<u>3,832</u>	<u>22.4</u>	<u>5,207</u>	<u>29.9</u>	<u>7,895</u>	<u>37.4</u>	<u>2,714</u>	<u>36.3</u>	<u>3,660</u>	<u>40.7</u>
Master of Professional Accounting Services ^{(3),(4)}										
	9,922	58.0	10,050	57.7	8,733	41.3	3,385	45.2	3,664	40.7
Others ⁽⁵⁾										
	379	2.2	1,038	6.0	2,033	9.6	766	10.3	833	9.3
Total postgraduate										
	<u>10,301</u>	<u>60.2</u>	<u>11,088</u>	<u>63.7</u>	<u>10,766</u>	<u>50.9</u>	<u>4,151</u>	<u>55.5</u>	<u>4,497</u>	<u>50.0</u>
Non-award programs										
	2,818	16.4	917	5.3	2,112	10.0	557	7.4	767	8.5
Total tuition										
	<u>16,951</u>	<u>99.0</u>	<u>17,212</u>	<u>98.9</u>	<u>20,773</u>	<u>98.3</u>	<u>7,422</u>	<u>99.2</u>	<u>8,924</u>	<u>99.2</u>
Non-tuition fees										
	<u>163</u>	<u>1.0</u>	<u>196</u>	<u>1.1</u>	<u>365</u>	<u>1.7</u>	<u>62</u>	<u>0.8</u>	<u>70</u>	<u>0.8</u>
Total revenue										
	<u>17,114</u>	<u>100.0</u>	<u>17,408</u>	<u>100.0</u>	<u>21,138</u>	<u>100.0</u>	<u>7,484</u>	<u>100.0</u>	<u>8,994</u>	<u>100.0</u>

Notes:

- (1) This includes tuition for courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.
- (2) This includes tuition for courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Finance and Accounting.
- (3) This includes tuition for courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting. This also includes a small amount from students who enrol in certain accounting units to fulfil academic requirements for membership with CPA Australia.
- (4) Formerly known as Master of Professional Accounting and Business.
- (5) This includes tuition for all other postgraduate courses that are not part of the Master of Professional Accounting Services track.

Tuition

Tuition from our undergraduate and postgraduate award courses accounted for 82.6%, 93.6% and 88.3% of our revenue for the years ended 30 June 2015, 2016 and 2017, respectively and 90.7% of our revenue for the four months ended 31 October 2017. The amount of tuition charged for each course differs. Please see the section headed “Business — Tuition and Fees” in this prospectus for more information. The amount of revenue we receive from tuition depends upon the number of students and the number of units they enrol in.

FINANCIAL INFORMATION

We generally measure our student number with reference to EFTSL, which is calculated by dividing the total number of units taken by our students in a given year by 8 (which is the average number of units a single full-time student should take at our Institute in a year). The following table sets out the EFTSL for our undergraduate and postgraduate courses for the periods indicated:

	Year ended 30 June						Four months ended 31 October ⁽⁵⁾			
	2015		2016		2017		2016		2017	
	EFTSL	% of total	EFTSL	% of total	EFTSL	% of total	EFTSL	% of total	EFTSL	% of total
Undergraduate										
Bachelor of International Business ⁽¹⁾	236.3	27.5	304.5	32.1	368.1	35.6	275.0	34.0	287.0	34.3
Bachelor of Applied Finance and Accounting ⁽²⁾	—	—	9.9	1.1	53.1	5.1	34.3	4.2	67.0	8.0
Bachelor of Laws	—	—	16.4	1.7	51.0	4.9	34	4.2	55.5	6.7
Total undergraduate	<u>236.3</u>	<u>27.5</u>	<u>330.8</u>	<u>34.9</u>	<u>472.2</u>	<u>45.6</u>	<u>343.3</u>	<u>42.4</u>	<u>409.5</u>	<u>49.0</u>
Postgraduate										
Master of Professional Accounting Services ^{(3), (4)}	599.3	69.6	560.6	59.1	459.5	44.4	379.5	46.9	345.3	41.3
Others	<u>25.1</u>	<u>2.9</u>	<u>57.1</u>	<u>6.0</u>	<u>103.8</u>	<u>10.0</u>	<u>86.5</u>	<u>10.7</u>	<u>81.2</u>	<u>9.7</u>
Total postgraduate	<u>624.4</u>	<u>72.5</u>	<u>617.7</u>	<u>65.1</u>	<u>563.3</u>	<u>54.4</u>	<u>466.0</u>	<u>57.6</u>	<u>426.5</u>	<u>51.0</u>
Total EFTSL	<u><u>860.7</u></u>	<u><u>100.0</u></u>	<u><u>948.5</u></u>	<u><u>100.0</u></u>	<u><u>1,035.5</u></u>	<u><u>100.0</u></u>	<u><u>809.3</u></u>	<u><u>100.0</u></u>	<u><u>836.0</u></u>	<u><u>100.0</u></u>

Notes:

- (1) This includes courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.
- (2) This includes courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Finance and Accounting.
- (3) This includes courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting. This also includes students who enrol in certain accounting units to fulfil academic requirements for membership with CPA Australia.
- (4) Formerly known as Master of Professional Accounting and Business.
- (5) This is the EFTSL for the second term of the year indicated, which is calculated by dividing the total number of units taken by our students in the second term of the year indicated by 4.

FINANCIAL INFORMATION

The following table sets out the breakdown of average tuition per EFTSL for the periods indicated:

	Year ended 30 June			Four months ended 31 October ⁽⁵⁾	
	2015	2016	2017	2016	2017
	AUD\$	AUD\$	AUD\$	AUD\$	AUD\$
Undergraduate					
Bachelor of International Business ⁽¹⁾	16,217	15,856	16,936	7,978	9,067
Bachelor of Applied Finance and Accounting ⁽²⁾	—	17,475	18,324	8,672	9,731
Bachelor of Laws	—	12,561	13,471	6,559	7,297
Average undergraduate	16,217	15,741	16,720	7,907	8,938
Postgraduate					
Master of Professional Accounting Services ^{(3),(4)}	16,556	17,927	19,005	8,920	10,613
Others	15,100	18,179	19,586	8,855	10,252
Average postgraduate	16,497	17,950	19,112	8,908	10,544
Average overall	16,420	17,180	18,021	8,483	9,757

Notes:

- (1) This includes tuition for courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.
- (2) This includes tuition for courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Finance and Accounting.
- (3) This includes tuition for courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting. This also includes a small amount from students who enrol in certain accounting units to fulfil academic requirements for membership with CPA Australia.
- (4) Formerly known as Master of Professional Accounting and Business.
- (5) This is calculated by dividing the tuition revenue for the four months ended 31 October of each year indicated by the EFTSL for the second term of the year indicated. This approximates the average tuition per EFTSL for one semester, or half a year.

FINANCIAL INFORMATION

Our tuition rates for postgraduate courses are generally higher than those for undergraduate courses, which is in line with the higher education market in Australia. Additionally, tuition rates for international students are higher than domestic students' tuition rates for the same course. As such, courses that have a greater percentage of international students will have higher average tuition rates. The following table sets out the percentage of international EFTSL and domestic EFTSL in our undergraduate and postgraduate courses for the periods indicated:

	Year ended 30 June						Four months ended 31 October			
	2015		2016		2017		2016		2017	
	International EFTSL	Domestic EFTSL	International EFTSL	Domestic EFTSL	International EFTSL	Domestic EFTSL	International EFTSL	Domestic EFTSL	International EFTSL	Domestic EFTSL
	%	%	%	%	%	%	%	%	%	%
Undergraduate										
Bachelor of International Business ⁽¹⁾	94.7	5.3	95.1	4.9	95.7	4.3	95.7	4.3	95.0	5.0
Bachelor of Applied Finance and Accounting ⁽²⁾	—	—	94.9	5.1	99.1	0.9	97.1	2.9	100	0.0
Bachelor of Laws	—	—	5.3	94.7	10.0	90.0	8.1	91.9	28.8	71.2
Total undergraduate	94.7	5.3	90.6	9.4	86.8	13.2	87.2	12.8	86.9	13.1
Postgraduate										
Master of Professional Accounting Services ^{(3),(4)}	99.8	0.2	99.8	0.2	99.9	0.1	99.9	0.1	99.6	0.4
Others	97.5	2.5	97.6	2.4	98.8	1.1	98.8	1.2	94.2	5.8
Total postgraduate	99.7	0.3	99.6	0.4	99.7	0.3	99.7	0.3	98.5	1.5
Total	98.3	1.7	96.5	3.5	93.8	6.2	94.4	5.6	92.8	7.2

Notes:

- (1) This includes courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.
- (2) This includes courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Finance and Accounting.
- (3) This includes courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting. This also includes students who enrol in certain accounting units to fulfil academic requirements for membership with CPA Australia.
- (4) Formerly known as Master of Professional Accounting and Business.

FINANCIAL INFORMATION

Cost of Sales

Costs of sales primarily consists of agent commissions, employee benefit expenses, depreciation and amortisation, rental expenses, office expenses, consultation and service fees and student costs. The following table sets out a breakdown of our costs of sales by nature for the periods provided:

	Year ended 30 June						Four months ended 31 October			
	2015		2016		2017		2016		2017	
	AUD\$'000	% of total	AUD\$'000	%	AUD\$'000	%	AUD\$'000	%	AUD\$'000	%
Agent commissions	3,591	46.6	3,442	42.7	4,005	40.1	1,350	42.8	1,637	43.3
Employee benefit expenses	2,224	28.8	2,889	35.9	3,690	37.0	1,035	32.9	1,235	32.7
Depreciation and amortisation	528	6.8	586	7.3	809	8.1	269	8.5	308	8.2
Rental expenses	516	6.7	542	6.7	636	6.4	198	6.3	221	5.8
Office expenses	229	3.0	333	4.1	353	3.5	152	4.8	171	4.5
Consultation and service fees	142	1.8	108	1.4	298	3.0	73	2.3	139	3.7
Student costs	482	6.3	155	1.9	186	1.9	74	2.4	69	1.8
Total	7,712	100.0	8,055	100.0	9,977	100.0	3,151	100.0	3,780	100.0

Agent commissions are fees we pay to agents who provide services to assist mainly international students in applying for admission to our Institute. Commissions are charged as a percentage of the relevant student's tuition for each term. The percentage may vary depending upon a number of factor including the course, year, type of student and our relationship with the agent. Employee benefit expenses consist of salaries and employment benefits for our academic staff. Depreciation and amortisation relate to our office and classroom equipment and furniture, textbooks, and course materials, including time invested in developing such course materials. Rental expenses consist primarily of rent for our classrooms. Office expenses relate to subscription and membership fees, utilities and other expenses related to our classrooms. Consultation and service fees primarily relate to fees for professional services such as accounting and legal fees relating to our provision of services. Student costs consist of scholarship awards, student direct costs (such as reimbursement of membership fees for access to University of Sydney libraries or expenses for student social events), online course expenses and other expenses relating to student programs.

Other Income

Other income consists of interest income and other miscellaneous income. For the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, we recorded other income of AUD\$0.4 million, AUD\$0.4 million, AUD\$0.3 million and AUD\$0.1 million, respectively.

FINANCIAL INFORMATION

Administrative Expenses

Administrative expenses consist of employee benefit expenses, listing expenses, rental expenses, office expenses, share-based payment and other miscellaneous expenses. The following table sets out the breakdown of our administrative expenses by nature for the periods provided:

	Year ended 30 June						Four months ended 31 October			
	2015		2016		2017		2016		2017	
	AUD\$'000	% of total	AUD\$'000	%	AUD\$'000	%	AUD\$'000	%	AUD\$'000	%
							(unaudited)			
Employee benefit										
expenses	1,072	60.8	2,840	79.1	1,551	45.0	673	66.2	883	26.3
Listing expenses	—	—	—	—	948	27.5	78	7.7	1,987	59.2
Rental expenses	272	15.4	285	7.9	368	10.7	116	11.4	130	3.9
Office expenses	179	10.2	196	5.5	276	8.0	62	6.1	98	2.9
Others	239	13.6	270	7.5	305	8.8	88	8.6	259	7.7
Total	1,762	100.0	3,591	100.0	3,448	100.0	1,017	100.0	3,357	100.0

Employee benefit expenses relate to salaries and employment benefits for our administrative staff, including (i) performance bonuses to Dr. Zhu amounting to 10% of any dividends declared prior to the Listing and (ii) share-based payments consisting of the value of performance rights granted to Dr. Zhu under the Pre-IPO Performance Rights Plan as further described in the section headed “Appendix IV — Statutory and General Information — E. Pre-IPO Performance Rights Plan” in this prospectus. Listing expenses relate to professional fees and other expenses incurred for the Global Offering. Rental expenses consist of our rent for administrative offices. Office expenses comprise utilities and other daily office operation expenses. Other expenses consist of non-listing related legal service fees, auditors’ remuneration and others.

Advertising and Marketing Expenses

Advertising and marketing expenses consist of employee benefit expenses, advertising and business promotion expenses and travelling expenses. The following table sets out the breakdown of our advertising and marketing expenses by nature for the periods provided:

	Year ended 30 June						Four months ended 31 October			
	2015		2016		2017		2016		2017	
	AUD\$'000	% of total	AUD\$'000	%	AUD\$'000	%	AUD\$'000	%	AUD\$'000	%
							(unaudited)			
Employee benefit										
expenses	209	32.9	372	32.0	434	36.2	118	28.9	150	41.1
Advertising and business										
promotion expenses	228	35.9	644	55.5	562	46.9	243	59.6	160	43.8
Travelling expenses	198	31.2	145	12.5	203	16.9	47	11.5	55	15.1
Total	635	100.0	1,161	100.0	1,199	100.0	408	100.0	365	100.0

FINANCIAL INFORMATION

Employee benefit expenses consist of salaries and employment benefits for our marketing staff. Advertising and business promotion expenses relate to costs incurred for placing advertisements on radio and in train stations and buses, as well as costs incurred for promotional events. Travelling expenses consist of travel expenses for marketing purposes.

Other Operating Expenses

Other operating expenses consist of miscellaneous expenses such as donations. For the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, we recorded other operating expenses of approximately AUD\$98,000, AUD\$61,000, AUD\$60,000 and nil, respectively.

Income Tax Expenses

No provision for Hong Kong profit tax has been made as the Company had no assessable profits derived from or earned in Hong Kong. We are subject to Australian income tax. Our income tax expense consists of current and deferred income tax charge.

Under Australian tax law, a 30% tax rate was applicable to our assessable profits during the Track Record Period. For the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, we recorded effective tax rates of 35.1%, 30.6%, 32.0% and 31.9%, respectively. The following sets out the breakdown of our income tax for the periods indicated:

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000 (unaudited)	AUD\$'000
Current income tax:					
Current tax on profits for the year .	2,247	1,555	2,273	846	1,052
Underprovision/(overprovision) for current tax of prior periods	<u>278</u>	<u>(32)</u>	<u>—</u>	<u>—</u>	<u>—</u>
	2,525	1,523	2,273	846	1,052
Deferred income tax	<u>47</u>	<u>(8)</u>	<u>(106)</u>	<u>55</u>	<u>(539)</u>
Income tax expenses	<u><u>2,572</u></u>	<u><u>1,515</u></u>	<u><u>2,167</u></u>	<u><u>901</u></u>	<u><u>513</u></u>

FINANCIAL INFORMATION

Profit for the Year/Period and Adjusted Net Profit

We recorded profit for the year/period of AUD\$4.8 million, AUD\$3.4 million, AUD\$4.6 million and AUD\$1.1 million for the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017. Additionally, we also monitor adjusted net profit, which is not a standard measure under IFRSs, to provide additional information about our operating performance. Adjusted net profit represents our profit for the year/period excluding the after-tax effect of listing expenses. We believe that adjusted net profit is a meaningful financial indicator of our normalised operating performance. The following table reconciles our profit for the year/period to adjusted net profit for the periods indicated:

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000 (unaudited)	AUD\$'000
Profit for the year/period	4,761	3,442	4,602	2,093	1,097
Listing expenses	—	—	948	78	1,987
Tax impact on listing expenses . . .	—	—	(284)	(23)	(596)
Adjusted net profit	4,761	3,442	5,266	2,148	2,488

Four Months Ended 31 October 2017 Compared to Four Months Ended 31 October 2016

Revenue

Revenue increased by AUD\$1.5 million, or 20.2%, from AUD\$7.5 million for the four months ended 31 October 2016 to AUD\$9.0 million for the four months ended 31 October 2017. This increase was primarily due to a 18.8% increase in tuition revenue from our undergraduate and postgraduate award courses from AUD\$6.9 million for the four months ended 31 October 2016 to AUD\$8.2 million for the four months ended 31 October 2017, resulting mainly from (i) an increase in tuition rate that started to become effective in November 2016 and (ii) increased enrolment as our EFTSL increased by 3.3% from 809 for the second term of 2016 academic year to 836 for the second term of 2017 academic year.

We increased our tuition rates effective from November 2016 to account for changes in the higher education market and to reflect our new alliance with PwC Australia. Our average tuition per EFTSL increased by 15.0% from AUD\$8,483 for the second term of 2016 academic year to AUD\$9,757 for the second term of 2017 academic year.

Our revenue from non-award programs increased by AUD\$0.2 million, or 37.7%, from AUD\$0.6 million for the four months ended 31 October 2016 to AUD\$0.8 million for the four months ended 31 October 2017, primarily reflecting an increase in revenue from our corporate training programs.

FINANCIAL INFORMATION

Cost of Sales

Cost of sales increased by AUD\$0.6 million, or 20.0%, from AUD\$3.2 million for the four months ended 31 October 2016 to AUD\$3.8 million for the four months ended 31 October 2017. This increase in cost of sales was mainly attributable to (i) an increase of AUD\$0.3 million in agent commissions due to our increase in tuition rates and EFTSL and (ii) an increase of AUD\$0.2 million in employee benefit expenses related to cost of sales due to an increase in academic staff.

Gross Profit

Gross profit increased by 20.3% from AUD\$4.3 million for the four months ended 31 October 2016 to AUD\$5.2 million for the four months ended 31 October 2017, primarily due to the increase in tuition revenue from our undergraduate and postgraduate award courses due to increases in tuition rates and EFTSL. Gross profit margin remained relatively stable at 58.0% for the four months ended 31 October 2017, compared with 57.9% for the four months ended 31 October 2016.

Other Income

Other income increased by 25.5% from approximately AUD\$94,000 for the four months ended 31 October 2016 to approximately AUD\$118,000 for the four months ended 31 October 2017. This increase primarily resulted from an increase in interest income as our cash on hand during the four months ended 31 October 2016 was at a relatively low level after paying dividends during that period, whereas no such dividends were paid during the four months ended 31 October 2017.

Administrative Expenses

Administrative expenses increased significantly from AUD\$1.0 million for the four months ended 31 October 2016 to AUD\$3.4 million for the four months ended 31 October 2017. This increase was mainly attributable to the considerable increase in listing expenses from approximately AUD\$78,000 for the four months ended 31 October 2016 to AUD\$2.0 million for the four months ended 31 October 2017, combined with a AUD\$0.4 million increase in other administrative expenses.

Advertising and Marketing Expenses

Advertising and marketing expenses decreased by 10.5% from approximately AUD\$408,000 for the four months ended 31 October 2016 to approximately AUD\$365,000 for the four months ended 31 October 2017. This decrease was primarily due to our efforts in 2017 to scale down our promotion of TOP Law which has been established since 2015.

Income Tax Expenses

Our income tax expenses decreased by 43.0% from AUD\$0.9 million for the four months ended 31 October 2016 to AUD\$0.5 million for the four months ended 31 October 2017, primarily due to a decrease in profit before tax. Our effective tax rate increased from 30.1% for the four months ended 31 October 2016 to 31.9% for the four months ended 31 October 2017, mainly due to an increase in expenses not deductible for tax relating to the Listing and course development.

FINANCIAL INFORMATION

Profit for the Period

For the foregoing reasons, our profit for the period decreased by 47.6% from AUD\$2.1 million for the four months ended 31 October 2016 to AUD\$1.1 million for the four months ended 31 October 2017. Our net profit margin decreased from 28.0% for the four months ended 31 October 2016 to 12.2% for the four months ended 31 October 2017. Excluding the effect of listing expenses, our adjusted net profit increased by 15.8% from AUD\$2.1 million for the four months ended 31 October 2016 to AUD\$2.5 million for the four months ended 31 October 2017 and our adjusted net profit margin decreased from 28.7% for the four months ended 31 October 2016 to 27.7% for the four months ended 31 October 2017.

YEAR TO YEAR COMPARISON

Year Ended 30 June 2017 Compared to Year Ended 30 June 2016

Revenue

Revenue increased by AUD\$3.7 million, or 21.4%, from AUD\$17.4 million for the year ended 30 June 2016 to AUD\$21.1 million for the year ended 30 June 2017. This increase was primarily attributable to a 14.5% increase in tuition revenue from our undergraduate and postgraduate award courses from AUD\$16.3 million for the year ended 30 June 2016 to AUD\$18.7 million for the year ended 30 June 2017, resulting from (i) an increase in tuition rates for international students that started to become effective in November 2016 and (ii) increased enrolment as our EFTSL increased by 9.2% from 949 for the year ended 30 June 2016 to 1,036 for the year ended 30 June 2017.

We increased our tuition rates which started to become effective in November 2016 for international students to account for changes in the higher education market and to reflect our recent alliance with PwC Australia. As a result, our average tuition per EFTSL increased by 4.9% from AUD\$17,180 for the year ended 30 June 2016 to AUD\$18,021 for the year ended 30 June 2017. Our increase in enrolment was primarily driven by an increase in undergraduate EFTSL primarily due to (i) a 20.9% increase in EFTSL for our Bachelor of International Business course following our alliance with PwC Australia and (ii) significant increases in EFTSL for our Bachelor of Applied Finance and Accounting course and Bachelor of Laws course as a new cohort entered since the courses began in the year ended 30 June 2016.

Our revenue from non-award programs also increased significantly from AUD\$0.9 million for the year ended 30 June 2016 to AUD\$2.1 million for the year ended 30 June 2017, primarily resulting from the launch of our corporate training programs in the year ended 30 June 2017.

Cost of Sales

Cost of sales increased by 23.9% from AUD\$8.1 million for the year ended 30 June 2016 to AUD\$10.0 million for the year ended 30 June 2017. This increase in cost of sales was mainly attributable to (i) an increase of AUD\$0.8 million in employee benefit expenses related to cost of sales as we hired more academic staff to further support our new courses, (ii) an increase of AUD\$0.6 million in agent commissions due to our increase in EFTSL in the year ended 30 June 2017 with new cohorts of the Bachelor of Laws and Bachelor of Applied Finance and Accounting courses and the increase in

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EFTSL for Bachelor International Business course and (iii) an increase of AUD\$0.2 million in depreciation and amortisation expenses as we purchased more office and classroom equipment and teacher reference books.

Gross Profit

Gross profit increased by 19.3% from AUD\$9.4 million for the year ended 30 June 2016 to AUD\$11.2 million for the year ended 30 June 2017, primarily attributable to increase in tuition revenue from our undergraduate and postgraduate award courses. Gross profit margin decreased from 53.7% for the year ended 30 June 2016 to 52.8% for the year ended 30 June 2017 primarily due to a greater percentage increase in cost of sales compared to revenue as we hired more academic staff.

Other Income

Other income decreased by 24.5% from AUD\$0.4 million for the year ended 30 June 2016 to AUD\$0.3 million for the year ended 30 June 2017. This decrease was primarily due to a decrease in interest resulting from a decline in interest rates and a decrease in cash on hand after payment of dividends declared in the year end 30 June 2016.

Administrative Expenses

Administrative expenses decreased by 4.0% from AUD\$3.6 million for the year ended 30 June 2016 to AUD\$3.4 million for the year ended 30 June 2017. This decrease was mainly attributable to a decrease of AUD\$1.3 million in employee benefit expenses for our administrative staff, which was primarily due to a performance bonus awarded to Dr. Zhu relating to dividends declared in the year ended 30 June 2016, while no such bonus was given in the year ended 30 June 2017 because no dividends were declared during that year. The decrease was partially offset by the listing expenses of AUD\$0.9 million incurred for the year ended 30 June 2017.

Advertising and Marketing Expenses

Advertising and marketing expenses remained stable at AUD\$1.2 million for the year ended 30 June 2016 and for the year ended 30 June 2017. Our travelling expenses and employee benefit expenses for our marketing staff increased for the year ended 30 June 2017 as we hired more marketing staff. The increase was partially offset by a decrease in advertising and business promotion expenses as we scaled back from the promotional efforts made to launch TOP Law in the year ended 30 June 2016.

Income Tax Expenses

Income tax expenses increased by 43.1%, from AUD\$1.5 million for the year ended 30 June 2016 to AUD\$2.2 million for the year ended 30 June 2017 primarily due to an increase in profit before income tax. Our effective tax rate increased from 30.6% for the year ended 30 June 2016 to 32.0% for the year ended 30 June 2017 which was primarily due to an increase in expenses not deductible for tax relating to course development.

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Profit for the Year

For the foregoing reasons, our profit for the year increased by 33.7% from AUD\$3.4 million for the year ended 30 June 2016 to AUD\$4.6 million for the year ended 30 June 2017. Our net profit margin increased from 19.8% for the year ended 30 June 2016 to 21.8% for the year ended 30 June 2017.

Year Ended 30 June 2016 Compared to Year Ended 30 June 2015

Revenue

Revenue increased by AUD\$0.3 million, or 1.7%, from AUD\$17.1 million for the year ended 30 June 2015 to AUD\$17.4 million for the year ended 30 June 2016. This increase was primarily attributable to a 15.3% increase in tuition revenue from our undergraduate and postgraduate award courses from AUD\$14.1 million for the year ended 30 June 2015 to AUD\$16.3 million for the year ended 30 June 2016, resulting from increased enrolment as our EFTSL increased by 10.2% from 861 for the year ended 30 June 2015 to 949 for the year ended 30 June 2016. We had greater student enrolment primarily due to (i) an increase in approved capacity number for international students, which allowed us to enrol more students and (ii) the launch of our Bachelor of Laws and Bachelor of Applied Finance and Accounting courses. Additionally, our average tuition per EFTSL increased 4.6% from AUD\$16,420 for the year ended 30 June 2015 to AUD\$17,180 for the year ended 30 June 2016 primarily because of an increase in average tuition per EFTSL for postgraduate courses due to promotional discounts on tuition which ended after the second term of the 2015 academic year. This was partially offset by a decrease in average tuition per EFTSL for undergraduate courses, primarily resulting from a one-time special waiver of tuition relating to a small amount of EFTSL during the year ended 30 June 2016.

The increase in revenue from our undergraduate and postgraduate award courses was partially offset by a 67.5% decrease in tuition from non-award programs from AUD\$2.8 million for the year ended 30 June 2015 to AUD\$0.9 million for the year ended 30 June 2016. This decrease was attributable to our discontinuation of a student internship program because our contract with the program's counterparties ended in 2015.

Cost of Sales

Cost of sales increased by 4.4% from AUD\$7.7 million for the year ended 30 June 2015 to AUD\$8.1 million for the year ended 30 June 2016. This increase in cost of sales was mainly attributable to an increase of AUD\$0.7 million in employee benefit expenses related to cost of sales as we hired more academic staff to support our new Bachelor of Laws and Bachelor of Applied Finance and Accounting courses. This was partially offset by a decrease of AUD\$0.3 million in student costs as we discontinued a student internship program in the year ended 30 June 2015 and no longer incurred fees relating to that program.

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Gross Profit

Gross profit remained stable at AUD\$9.4 million for the year ended 30 June 2015 and for the year ended 30 June 2016. Gross profit margin decreased slightly from 54.9% for the year ended 30 June 2015 to 53.7% for the year ended 30 June 2016, primarily due to a greater percentage increase in cost of sales compared to revenue, as we incurred more staff costs to support the launch of our new Bachelor of Laws and Bachelor of Applied Finance and Accounting courses.

Other Income

Other income remained stable at AUD\$0.4 million for the year ended 30 June 2015 and for the year ended 30 June 2016.

Administrative Expenses

Administrative expenses increased by 103.8% from AUD\$1.8 million for the year ended 30 June 2015 to AUD\$3.6 million for the year ended 30 June 2016. This increase was mainly attributable to an increase of AUD\$1.8 million in employee benefit expenses for our administrative staff, which was primarily due to (i) a performance bonus awarded to Dr. Zhu equal to 10% of dividends declared during the year ended 30 June 2016 and (ii) an increase in the number of administrative staff.

Advertising and Marketing Expenses

Advertising and marketing expenses increased by 82.8% from AUD\$0.6 million for the year ended 30 June 2015 to AUD\$1.2 million the year ended 30 June 2016. This increase in advertising and marketing expenses was primarily due to an increase of AUD\$0.4 million in advertising and business promotion expenses for advertising the launch of TOP Law and our Bachelor of Laws courses and an increase of AUD\$0.2 million in employee benefit expenses for our marketing staff.

Income Tax Expenses

Income tax expenses decreased by 41.1% from AUD\$2.6 million for the year ended 30 June 2015 to AUD\$1.5 million for the year ended 30 June 2016 primarily due to a decrease in profit before income tax. Our effective tax rate decreased from 35.1% for the year ended 30 June 2015 to 30.6% for the year ended 30 June 2016 primarily due to adjustments for current tax of prior periods resulting from differences between tax paid during the year and the final tax calculation.

Profit for the Year

For the foregoing reasons, our profit for the year decreased by 27.7% from AUD\$4.8 million for the year ended 30 June 2015 to AUD\$3.4 million for the year ended 30 June 2016. Our net profit margin decreased from 27.8% for the year ended 30 June 2015 to 19.8% for the year ended 30 June 2016 primarily as a result of increased cost of sales and higher administrative expenses for the year ended 30 June 2016.

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LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our working capital needs and capital expenditures principally through net cash inflows from operating activities.

Cash Flows

The following table sets out a summary of our statements of cash flows for the years/periods indicated:

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
				(Unaudited)	
Net cash generated from operating activities . .	3,912	5,588	6,321	409	451
Net cash used in investing activities	(980)	(1,866)	(1,682)	(732)	(394)
Net cash used in financing activities	—	(2,664)	(6,495)	(8,889)	—
Net increase/(decrease) in cash and cash equivalents	2,932	1,058	(1,856)	(9,212)	57
Cash and cash equivalents at beginning of the year/period	<u>13,966</u>	<u>16,898</u>	<u>17,956</u>	<u>17,956</u>	<u>16,100</u>
Cash and cash equivalents at end of the year/ period	<u>16,898</u>	<u>17,956</u>	<u>16,100</u>	<u>8,744</u>	<u>16,157</u>

Cash Flows from Operating Activities

For the four months ended 31 October 2017, our net cash generated from operating activities was AUD\$0.5 million, primarily reflecting cash generated from operations of AUD\$1.4 million less income tax paid of AUD\$1.0 million. Cash generated from operations primarily reflected our profit before tax of AUD\$1.6 million, adjusted for non-cash and non-operations related items (such as amortisation of intangible assets of AUD\$0.2 million and equity-settled performance rights expense of AUD\$0.2 million) and negative working capital adjustments of AUD\$0.7 million. Such negative working capital adjustments primarily consisted of (i) an increase of AUD\$0.6 million in prepayments, deposits and other receivables, mainly relating to prepayments for listing expenses and service fees receivable relating to our pathway program in China and (ii) a decrease of AUD\$0.3 million in deferred income as we generally have fewer students during the third term of the academic year, which is the summer term as compared to the second term.

For the year ended 30 June 2017, our net cash generated from operating activities was AUD\$6.3 million, primarily reflecting cash generated from operations of AUD\$7.9 million less income tax paid of AUD\$1.8 million. Cash generated from operations primarily reflected our profit before tax of AUD\$6.8 million, adjusted for non-cash and non-operations related items (such as amortisation of intangible assets of AUD\$0.6 million and depreciation of property, plant and equipment of AUD\$0.3 million) and positive working capital adjustments of AUD\$0.4 million. Such positive working capital adjustments primarily consisted of (i) an increase of AUD\$0.2 million in deferred income resulting from an increase in EFTSL and (ii) a decrease in prepayments, deposits and other receivables of AUD\$0.2 million resulting from the utilisation of prepayments and deposits.

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For the year ended 30 June 2016, our net cash generated from operating activities was AUD\$5.6 million, primarily reflecting cash generated from operations of AUD\$7.6 million less income tax paid of AUD\$2.4 million. Cash generated from operations primarily reflected our profit before tax of AUD\$5.0 million, adjusted for non-cash and non-operations related items (such as amortisation of intangible assets of AUD\$0.4 million and depreciation of property, plant and equipment of AUD\$0.2 million) and positive working capital adjustments of AUD\$2.3 million. Such positive working capital adjustments primarily consisted of (i) an increase of AUD\$1.4 million in other payables and accruals primarily due to the incurrence of a dividend payable in 2016 and the related 10% performance bonus due to Dr. Zhu, and (ii) an increase of AUD\$0.6 million in deferred income due to an increase in EFTSL.

For the year ended 30 June 2015, our net cash generated from operating activities was AUD\$3.9 million, primarily reflecting cash generated from operations of AUD\$6.1 million less income tax paid of AUD\$2.4 million. Cash generated from operations primarily reflected our profit before tax of AUD\$7.3 million, adjusted for non-cash and non-operations related items (such as amortisation of intangible assets of AUD\$0.4 million and depreciation of property, plant and equipment of AUD\$0.1 million) and negative working capital adjustments of AUD\$1.5 million. Such negative working capital adjustments primarily consisted of a decrease of AUD\$1.5 million in deferred income primarily due to the discontinuation of a student internship program during the year ended 30 June 2015, so we no longer receive income for that program.

Cash Flows from Investing Activities

For the four months ended 31 October 2017, our net cash used in investing activities amounted to AUD\$0.4 million, which was primarily attributable to AUD\$0.4 million in additions to intangible assets, primarily relating to capitalised development expenditures for course development.

For the year ended 30 June 2017, our net cash used in investing activities amounted to AUD\$1.7 million, which was attributable to (i) AUD\$1.3 million in additions of intangible assets primarily relating to capitalised development expenditures on our self-accrediting authority application and course development for our Masters courses and law courses and (ii) AUD\$0.3 million in purchases of property, plant and equipment, primarily to furnish additional rental space which we began to lease in August 2016.

For the year ended 30 June 2016, our net cash used in investing activities amounted to AUD\$1.9 million, which was attributable to (i) AUD\$1.3 million in additions of intangible assets primarily relating to capitalised development of expenditures on higher education registration, course development for our Masters courses and developing TOP Law and (ii) AUD\$0.5 million in purchases of property, plant and equipment primarily including new computer equipment and software and classroom and office equipment.

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For the year ended 30 June 2015, our net cash used in investing activities amounted to AUD\$1.0 million, which was attributable to (i) AUD\$0.9 million in additions of intangible assets primarily relating to capitalised development expenditures on higher education registrations and course development for various new courses and (ii) AUD\$0.1 million in purchases of property, plant and equipment primarily for computer, classroom and office equipment upgrades and renovations to prepare for TOP Law.

Cash Flows from Financing Activities

For the four months ended 31 October 2017, we recorded nil cash flows from financing activities.

For the year ended 30 June 2017, our net cash used in financing activities amounted to AUD\$6.5 million, which was attributable to payment of AUD\$8.9 million in unpaid dividends declared during the year ended 30 June 2016 to Shareholders, partially offset by AUD\$2.4 million in net proceeds from issuance of Class A Shares in May 2017.

For the year ended 30 June 2016, our net cash used in financing activities amounted to AUD\$2.7 million, which was attributable to payment of AUD\$5.0 million for part of the dividends declared during the year ended 30 June 2016 to Shareholders, partially offset by AUD\$2.3 million in net proceeds from the issue of Shares from PwC Nominees's investment.

For the year ended 30 June 2015, we recorded nil cash flows from financing activities.

Working Capital

We had net cash flows from operating activities for each period during the Track Record Period and net current assets as at each of 30 June 2015, 2016 and 2017 and 31 October 2017. Our Directors have confirmed that we have sufficient working capital for our requirements for at least the next 12 months from the date of this prospectus, taking into account our cash flows from operating activities and the estimated net proceeds from the Global Offering.

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Net Current Assets

The following table sets out our current assets and current liabilities as at the dates indicated:

	As at 30 June			As at 31 October	As at 28 February
	2015	2016	2017	2017	2018
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000 (unaudited)
Current assets					
Trade receivables	—	—	58	33	—
Prepayments and other receivables	519	867	1,389	2,027	2,011
Tax recoverable	—	17	—	—	—
Cash and cash equivalents . .	<u>16,898</u>	<u>17,956</u>	<u>16,100</u>	<u>16,157</u>	<u>16,881</u>
Total current assets	<u>17,417</u>	<u>18,840</u>	<u>17,547</u>	<u>18,217</u>	<u>18,892</u>
Current liabilities					
Trade payables	955	981	1,127	1,189	966
Other payables and accruals	1,041	2,355	2,335	2,450	2,111
Dividend payable	—	8,889	—	—	—
Deferred income	1,497	2,146	2,348	2,060	4,221
Tax payable	<u>810</u>	<u>—</u>	<u>533</u>	<u>585</u>	<u>414</u>
Total current liabilities . . .	<u>4,303</u>	<u>14,371</u>	<u>6,343</u>	<u>6,284</u>	<u>7,712</u>
Net current assets	<u>13,114</u>	<u>4,469</u>	<u>11,204</u>	<u>11,933</u>	<u>11,180</u>

We had net current assets as at each of 30 June 2015, 2016 and 2017, 31 October 2017 and 28 February 2018. Our net current assets position as at each of these dates was primarily attributable to our large balance of cash and cash equivalents, which was partially offset by mainly our trade payables, other payables and accruals and deferred revenue as well as our dividend payable as at 30 June 2016.

Our net current assets increased from AUD\$11.2 million as at 30 June 2017 to AUD\$11.9 million as at 31 October 2017. This was primarily due to an increase in prepayments and other receivables mainly from prepayments of listing expenses and receivables for service fees relating to our pathway program in China. Our net current assets decreased to AUD\$11.2 million as of 28 February 2018 mainly due to an increase in deferred income as we began receiving more tuition fee payments for the first term of the 2018 academic year.

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DESCRIPTION OF SELECTED STATEMENT OF FINANCIAL POSITION ITEMS

Trade Receivables

Trade receivables represented amounts receivable from our corporate training customers. We generally do not have receivables due from students as we require students to prepay tuition and fees. For our trade receivables, we generally provide a 14-day credit period. The following table sets out our trade receivables as at the dates indicated:

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Trade receivables	—	—	58	33

During the Track Record Period, we did not record any trade receivables that were past due but not impaired and we did not record provision for impairment of any trade receivables. In considering whether impairment of receivables is required, we consider whether the debtor is experiencing significant financial difficulties, the probability that the debtor will enter bankruptcy or financial reorganisation and default or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows.

As at 28 February 2018, all of our trade receivables as at 31 October 2017 had been settled.

Prepayments, deposits and other receivables

The following table sets out our prepayments, deposits and other receivables as at the dates indicated.

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Non-current assets				
Prepayments	—	2,400	1,700	1,702
Lease deposits	203	203	203	203
	<u>203</u>	<u>2,603</u>	<u>1,903</u>	<u>1,905</u>
Current assets				
Prepayments	165	662	1,192	1,673
Other receivables	354	205	197	354
	<u>519</u>	<u>867</u>	<u>1,389</u>	<u>2,027</u>

Our prepayments, deposits and other receivables as at 30 June 2015, 2016 and 2017 and 31 October 2017 were all interest-free and not secured with collateral. None of the above assets were either past due or impaired.

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The balance of current and non-current prepayments primarily related to the future service allowance to be provided by PwC Australia and prepayments relating to listing expenses. The amount of the unutilised portion of the Service Allowance was AUD\$3.0 million, AUD\$2.5 million and AUD\$2.0 million as at 30 June 2016, 30 June 2017 and 31 October 2017, respectively. Other receivables primarily related to goods and services tax receivables owed to us from the Australian Tax Office and service fees relating to our pathway program in China. Lease deposits represented our lease deposits in relation to the facilities we rent.

Trade Payables

Trade payables represent the amounts due to our agents. Under our agent contracts, we generally are required to pay commissions within 45 days after the census date of each term, subject to receipt of an invoice from the relevant agent. The following table sets out our trade payables as at the dates indicated:

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Agent commission payable	955	981	1,127	1,189

Agent commissions payable remained stable at AUD\$1.0 million as at 30 June 2015 and 30 June 2016, and increased to AUD\$1.1 million as at 30 June 2017 and further increased to AUD\$1.2 million as at 31 October 2017 due to an increase in EFTSL during the 2017 academic year.

As at 28 February 2018, AUD\$0.2 million, or 19.4%, of our trade payables as at 31 October 2017 had been settled.

Other Payables and Accruals and Dividend Payables

Other payables and accruals primarily consist of unpaid leave obligations, salaries, payroll and bonuses payable, taxes payable, other amounts payable to employees or other counterparties and accruals for reinstatement cost relating to our leased assets.

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Current liabilities				
Other payables	491	1,619	1,331	1,329
Unpaid leave obligations	550	736	1,004	1,121
Other payables and accruals	1,041	2,355	2,335	2,450
Non-current liabilities				
Unpaid leave obligations	55	91	69	98
Accruals for reinstatement cost	—	66	82	83
Other payables and accruals	55	157	151	181

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Our other payables and our accruals for reinstatement cost as at 30 June 2015, 2016 and 2017 and 31 October 2017 were unsecured, interest-free and have no fixed terms of repayment.

The current portion of unpaid leave obligations represent all accrued annual leave as we do not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur. The non-current portion of unpaid leave obligations represents long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service.

We recorded dividends payable of nil, AUD\$8.9 million, nil and nil as at 30 June 2015, 2016 and 2017 and 31 October 2017, respectively. We declared AUD\$13.9 million in dividends (from profit for the year ended 30 June 2015) during the year ended 30 June 2016, of which AUD\$5.0 million was paid in the year ended 30 June 2016 and AUD\$8.9 million remained unpaid as at 30 June 2016 and was subsequently paid in the year ended 30 June 2017. Other payables increased from AUD\$0.5 million as at 30 June 2015 to AUD\$1.6 million as at 30 June 2016 primarily due to a performance bonus payable to Dr. Zhu amounting to 10% of the dividends declared during the year ended 30 June 2016. Other payables decreased to AUD\$1.3 million as at 30 June 2017 as we did not declare dividends during the year ended 30 June 2017 and therefore we did not record a performance bonus payable to Dr. Zhu. Other payables remained at AUD\$1.3 million as at 31 October 2017.

Deferred Income

Deferred income represents the amount paid by students at end of each reporting period that relates to future service provision. Students are entitled to refund of tuition up to the census date, which is the date decided by our Institute for students to have finalised their enrolments. Once the census date has passed, students are no longer entitled to refund of tuition.

As at 30 June 2015, 2016 and 2017 and 31 October 2017, we recorded deferred income of AUD\$1.5 million, AUD\$2.1 million, AUD\$2.3 million and AUD\$2.1 million, respectively, which reflected tuition and fees paid to us in advance for the second term of the 2015, 2016 and 2017 academic years and the third term of the 2017 academic year, respectively. The increase in deferred income as at 30 June 2016 compared to 30 June 2015 reflected increased student enrolment, mainly in undergraduate courses. The further increase in deferred income as at 30 June 2017 reflected further growth in student enrolment following our alliance with PwC Australia and the entrance of new cohorts for our Bachelor of Laws and Bachelor of Applied Finance and Accounting courses. Deferred income decreased as at 31 October 2017 as we generally have less enrolment for the third term of each academic year.

Intangible Assets

As at 30 June 2015, 2016 and 2017 and 31 October 2017, our intangible assets amounted to AUD\$2.0 million, AUD\$2.9 million, AUD\$3.6 million and AUD\$3.7 million, respectively. Our intangible assets consist of capitalised development expenditures on higher education registrations and applications and course materials created by our staff and by external consultants. Our intangible assets increased from AUD\$2.0 million as at 30 June 2015 to AUD\$2.9 million as at 30 June 2016 primarily due to an increase in new course materials and set up expenses for TOP Law and course material development for our Masters courses. Our intangible assets further increased to AUD\$3.6 million as at 30 June 2017 primarily due to expenditures for our self-accrediting authority application and course

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development of our Masters courses during the year ended 30 June 2017. The further increase in intangible assets to AUD\$3.7 million as at 31 October 2017 primarily related to expenditures for course development.

In the opinion of the Directors, there is no impairment indicator in relation to the intangible assets for the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017.

INDEBTEDNESS

Our outstanding indebtedness during the Track Record Period was nil. Our Directors confirm that, as at 28 February 2018, being the latest practicable date for the purpose of this indebtedness statement, we did not have any borrowings, debt securities, indebtedness, mortgages, charges, contingent liabilities or guarantees. As at the Latest Practicable Date, we did not have any plan to raise material external debt and we did not have any banking facilities.

RELATED PARTY TRANSACTIONS

Other than remuneration of Directors and utilisation of the Service Allowance with PwC Australia, we did not engage in any related party transactions during the Track Record Period. For more information, see Note 25 to the Accountants' Report set out in Appendix I to this prospectus and the section headed "Connected Transactions" in this prospectus.

COMMITMENTS

The following table sets out our operating lease commitments as at the dates indicated.

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
				AUD\$'000
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases:</i>				
Within 1 year	796	1,018	1,041	1,267
1 to 5 years	2,934	2,522	2,577	2,415
Total	<u>3,730</u>	<u>3,540</u>	<u>3,618</u>	<u>3,682</u>

We had no capital commitments as at 30 June 2015, 2016 and 2017 and 31 October 2017.

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CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures consisted primarily of expenditures on (i) plant and equipment, (ii) classroom equipment and office and (iii) teachers reference books.

The following table sets forth our historical capital expenditures for the periods indicated:

	Year ended 30 June			Four months ended 31 October
	2015	2016	2017	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Additions of property, plant and equipment	104	532	346	34

For more information on the uses of our capital expenditures on purchases of items of property, plant and equipment during the Track Record Period, please see the section above headed “Liquidity and Capital Resources — Cash Flows from Investing Activities.”

CONTINGENT LIABILITIES

As at 30 June 2015, 2016 and 2017 and 31 October 2017, we did not have any significant contingent liabilities.

FINANCIAL RATIOS

Set out below is the summary of our key financial ratios for the years indicated:

	As at/Year ended 30 June			As at/Four months ended 31 October
	2015	2016	2017	2017
	Return on assets ⁽¹⁾ (%)	26.3	15.3	18.8
Return on equity ⁽²⁾ (%)	36.0	26.4	32.8	18.1
Current ratio ⁽³⁾	4.0x	1.3x	2.8x	2.9x

Notes:

- (1) Return of assets is calculated by dividing profit for the year by the average of total assets as at the end of the year and the previous year and multiplied by 100%. For the four months ended 31 October 2017, return on assets is calculated by dividing the annualized profit for the period (four months multiplied by three) by the average of the total assets as at the end of the period and as at 30 June 2017.
- (2) Return on equity is calculated by dividing profit for the year by the average of total equity as at the end of the year and the previous year and multiplied by 100%. For the four months ended 31 October 2017, return on equity is calculated by dividing the annualized profit for the period (four months multiplied by three) by the average of total equity as at the end of the period and as at 30 June 2017.
- (3) Current ratio is calculated by dividing total current assets by total current liabilities as at the date indicated.

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Our return on assets decreased from 26.3% for the year ended 30 June 2015 to 15.3% for the year ended 30 June 2016 due to a decrease in profit for the year primarily resulting from greater administrative expenses related to the bonus payable to Dr. Zhu, and advertising and marketing expenses related to the launch of TOP Law and our new courses, combined with an increase in total assets, mainly due to the Service Allowance from PwC Australia. Our return on assets increased from 15.3% for the year ended 30 June 2016 to 18.8% for the year ended 30 June 2017 due to a greater percentage increase in profit for the year compared to the increase in average total assets, primarily resulting from an increase in revenue from increased enrolment due to our alliance with PwC Australia and our new revenue stream from corporate training programs. Our return on assets decreased to 13.3% for the four months ended 31 October 2017 primarily due to a decrease in profit for the period from AUD\$4.6 million for the year ended 30 June 2017 compared to AUD\$3.3 million for the four months ended 31 October 2017 (as annualized by multiplying by three), which is mainly because of greater listing expenses incurred during the four months ended 31 October 2017.

Our return on equity decreased from 36.0% for the year ended 30 June 2015 to 26.4% for the year ended 30 June 2016 primarily due to the decrease in profit for the year, which was mainly the result of increased administrative and advertising and marketing expenses. Our return on equity increased from 26.4% for the year ended 30 June 2016 to 32.8% for the year ended 30 June 2017 due to a greater percentage increase in profit for the year compared to the increase in average total equity, primarily resulting from the increase in revenue for the year ended 30 June 2017 as well as the declaration of dividends during the year ended 30 June 2016. Our return on equity decreased to 18.1% for the four months ended 31 October 2017, primarily due to an increase in average total equity, mainly resulting from the declaration of dividends during the year ended 30 June 2016, combined with a decrease in profit for the period (as annualized by multiplying by three) for the four months ended 31 October 2017.

Our current ratio decreased from 4.0x as at 30 June 2015 to 1.3x as at 30 June 2016 primarily due to a greater percentage increase in current liabilities compared to current assets, which was mainly the result of an increase in dividends payable. Our current ratio increased to 2.8x as at 30 June 2017, mainly due to a greater percentage decrease in current liabilities compared to current assets, which was primarily the result of the payment of all outstanding dividends payable during the year ended 30 June 2017 and the cash generated from operations during that year. Our current ratio increased slightly to 2.9x as at 31 October 2017 mainly due to an increase in total current assets, mainly resulting from an increase in prepayments relating to our listing expenses, combined with a decrease in total current liabilities.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENT LIABILITIES

During the Track Record Period, we did not have any material off-balance sheet arrangements or any variable interest in any other entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

DIVIDENDS AND DIVIDEND POLICY

We declared dividends of nil, AUD\$13.9 million, nil and nil to our then Shareholders during the years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, respectively. As at 30 June 2015, 2016 and 2017 and 31 October 2017, we recorded dividend payables of nil, AUD\$8.9 million, nil and nil. In April 2018, we declared dividends in the amounts of AUD\$2.4 million and

FINANCIAL INFORMATION

AUD\$3.9 million from the profit for the years ended 30 June 2016 and 30 June 2017, respectively. All these dividends will be fully settled in cash prior to Listing. We cannot guarantee when, if and in what form dividends may be declared or paid in the future.

Subject to the provisions of the Constitution and the Australian Corporations Act and the discretion of our Directors, we currently target to distribute to our Shareholders not less than 30% of our profit for the year attributable to equity Shareholders. Declaration of dividends is subject to the discretion of our Directors depending on our results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which our Directors may consider relevant.

DISTRIBUTABLE RESERVES

As at 31 October 2017, our Company had reserves in the amount of AUD\$10.5 million available for distribution.

QUANTITATIVE AND QUALITATIVE INFORMATION ABOUT MARKET RISKS

In the normal course of business, we are exposed to various types of market risks including credit risk and liquidity risk. Our Directors review and agree on policies for managing each of these risks. For more information, see Note 30 to the Accountants' Report set out in Appendix I to this prospectus.

LISTING EXPENSES

We expect to incur total listing expenses (including professional fees, underwriting commissions and other fees and without taking into account of the issue of new Shares under the Over-allotment Option) of approximately HK\$57.1 million (based on the mid-point of the indicative Offer Price range), of which approximately HK\$37.5 million has been or is expected to be recognised in our statements of profit or loss and other comprehensive income and approximately HK\$19.6 million is expected to be capitalised upon Listing. Listing expenses of approximately HK\$18.2 million were reflected in our statements of profit or loss and other comprehensive income for the Track Record Period and an additional amount of approximately HK\$19.3 million is expected to be recognised in our statements of profit or loss and other comprehensive income for the year ending 30 June 2018. The listing expenses above are the latest practicable estimate for reference only and the actual amount may differ from the estimate. Our Directors expect that our financial results for the year ending 30 June 2018 will be impacted by the non-recurring listing expenses to be charged to our statements of profit or loss and other comprehensive income.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets attributable to owners of the Company was prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the Global Offering on the net tangible assets attributable to owners of the Company as at 31 October 2017 as if the Global Offering had taken place on that date. The statement of unaudited pro forma adjusted net tangible assets of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of our net tangible assets had the Global Offering been completed as at 31 October 2017 or at any future date.

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The statement of unaudited pro forma adjusted net tangible assets of the Company set out below calculated based on the net assets attributable to owners of the Company as at 31 October 2017, as shown in the Accountants' Report, the text of which is included in Appendix I to this prospectus, and is adjusted as described below:

	Net tangible assets of the Company attributable to the owners of the Company as at 31 October 2017 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted net tangible assets of the Company attributable to the owners of the Company as at 31 October 2017	Unaudited pro forma adjusted net tangible assets of the Company attributable to the owners of the Company per Share as at 31 October 2017 ⁽³⁾ ⁽⁴⁾	
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$	HK\$
Based on an offer price of HK\$0.27 per Offer Share . . .	<u>15,196</u>	<u>21,262</u>	<u>36,458</u>	<u>0.01</u>	<u>0.06</u>
Based on an offer price of HK\$0.37 per Offer Share . . .	<u>15,196</u>	<u>31,042</u>	<u>46,238</u>	<u>0.02</u>	<u>0.12</u>

Notes:

- (1) The net tangible assets of the Company attributable to owners of the Company as at 31 October 2017 were extracted from the Accountants' Report, the text of which is included in Appendix I of this Prospectus, which is based on the net assets attributable to the owners of the Company as at 31 October 2017 of AUD\$18.9 million after deducting intangible assets of AUD\$3.7 million.
- (2) The estimated net proceeds from the Global Offering are based on 628,400,000 Offer Shares of an indicative Offer Price of HK\$0.27 and HK\$0.37 per Offer Share, respectively, after deducting the underwriting fees and other related expenses, and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or any Shares which may be issued upon the exercise of the options granted under the Pre-IPO Share Option Scheme and the warrants issued by the Company. For the purpose of the estimated net proceeds from the Global Offering, the amount stated in Hong Kong dollars has been converted into Australian dollars at the rate of AUD\$0.1613 to HK\$1.0. No representation is made that the Australian dollar amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.
- (3) The unaudited pro forma adjusted net tangible assets of the Company attributable to the owners of the Company as at 31 October 2017 per Share is arrived at after the adjustments referred to in note 2 above and on the basis that 2,513,428,000 Shares were in issue assuming the Global Offering and a share split pursuant to which each share was subdivided and designated as 2,000 fully paid shares in the capital of the Company had been completed on 31 October 2017. It takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or any Shares which may be issued upon the exercise of the options granted under the Pre-IPO Share Option Scheme and the warrants issued by the Company. It also does not take into account a dividend of HK\$38,955,000 (equivalent to approximately AUD\$6,283,000) declared by the Company in April 2018. Had the dividend been taken into account, the unaudited pro forma adjusted net tangible assets per Share would be HK\$0.06 (assuming an Offer Price of HK\$0.27 per Share) and HK\$0.12 (assuming an Offer Price of HK\$0.37 per Share), respectively.

FINANCIAL INFORMATION

- (4) For the purpose of the unaudited pro forma adjusted net tangible assets of the Company attributable to the owners of the Company as at 31 October 2017 per Share, the balance stated in Australian dollars are converted into Hong Kong dollars at the rate of AUD\$0.1613 to HK\$1.0. No representation is made that the Australian dollar amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

The third term (summer term) of the 2017 academic year commenced in November 2017. We recorded student enrolment for this term of 412 EFTSL (calculated by dividing the total number of units taken this term by 4, which is the average number of units taken by a single full-time student in a term). This comprised 179 EFTSL from international undergraduate students, 211 EFTSL from international postgraduate students, 21 EFTSL from domestic undergraduate students and 1 EFTSL from domestic postgraduate students.

Our revenue for the four months ended 28 February 2018 increased compared to the four months ended 28 February 2017 primarily due to increased EFTSL and tuition rates.

In April 2018, we declared dividends in the amounts of AUD\$2.4 million and AUD\$3.9 million from the profit for the years ended 30 June 2016 and 30 June 2017, respectively. All these dividends will be fully settled in cash prior to Listing.

We also had the following developments in our non-award programs:

- We entered into a new contract with a client for our corporate training program.
- We launched our Career Edge initiative comprising various programs aimed at helping our students become career ready. Programs include Career Prep Workshops where industry professionals provide advice on job-seeking skills and the Professional Placement Program where we help arrange work placements for our students with government agencies, businesses and other partnered entities. PwC Australia will participate in each of the Career Edge programs, including providing work placement positions for up to 100 students each year.

For more information on our non-award programs, please see the section headed “Business — Alliance with PwC Australia and Related Programs” in this prospectus.

Our Directors confirm that there has been no material adverse change in our financial or trading position since 31 October 2017 (being the date of our latest audited statements of financial results, as set out in the Accountants’ Report in Appendix I to this prospectus) and up to the date of this prospectus.

NO ADDITIONAL DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there were no circumstances which would have given rise to any disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules had the Shares been listed on the Stock Exchange on that date.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We, China Galaxy International and Essence International Securities (Hong Kong) Limited have entered into a cornerstone investment agreement with Shenzhen Qianhai Lotus-Gesar Asset Management Co., Ltd (“**Shenzhen Qianhai**”), and we, China Galaxy International and CCB International Capital Limited have entered into a cornerstone investment agreement with Minsheng Education Development Company Limited (“**Minsheng Education**” together with Shenzhen Qianhai, the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to subscribe for an aggregate of 253,280,000 Shares at the Offer Price, which may be purchased for an aggregate amount of HK\$68.4 million (assuming an Offer Price of HK\$0.27 (being the low-end of the Offer Price range set out in this prospectus)), HK\$81.0 million (assuming an Offer Price of HK\$0.32 (being the mid-point of the Offer Price range set out in this prospectus)) or HK\$93.7 million (assuming an Offer Price of HK\$0.37 (being the high-end of the Offer Price range set out in this prospectus)) (the “**Cornerstone Placing**”).

The Offer Shares to be subscribed by the Cornerstone Investors as a percentage of the total number of Offer Shares and total Shares in issue immediately following the Global Offering are illustrated as follows:

<u>Cornerstone Investor</u>	<u>Number of Shares agreed to be subscribed for by the Cornerstone Investors</u>	<u>Approximate % of total number of Offer Shares</u>		<u>Approximate % of total Shares in issue immediately following the Global Offering</u>	
		<u>Assuming the Over-allotment Option is not exercised</u>	<u>Assuming the Over-allotment Option is exercised in full</u>	<u>Assuming the Over-allotment Option is not exercised</u>	<u>Assuming the Over-allotment Option is exercised in full</u>
Shenzhen Qianhai	44,280,000	7.05%	6.13%	1.76%	1.70%
Minsheng Education	209,000,000	33.26%	28.92%	8.32%	8.01%

OUR CORNERSTONE INVESTORS

The background information about our Cornerstone Investors is set forth below.

Shenzhen Qianhai

Shenzhen Qianhai has agreed to subscribe for 44,280,000 Shares at the Offer Price, which may be purchased for an aggregate amount of HK\$12.0 million (assuming an Offer Price of HK\$0.27 (being the low-end of the Offer Price range set out in this prospectus)), HK\$14.2 million (assuming an Offer Price of HK\$0.32 (being the mid-point of the Offer Price range set out in this prospectus)) or HK\$16.4 million (assuming an Offer Price of HK\$0.37 (being the high-end of the Offer Price range set out in this prospectus)) (excluding brokerage and the levies which Shenzhen Qianhai will pay in respect of the Shares).

Assuming no exercise of the Over-allotment Option, the total number of Offer Shares that Shenzhen Qianhai would subscribe for would represent approximately 7.05% of the Offer Shares, and approximately 1.76% of the Shares in issue upon the completion of the Global Offering. Assuming full exercise of the Over-allotment Option, the total number of Offer Shares that Shenzhen Qianhai would subscribe for would represent approximately 6.13% of the Offer Shares, and approximately 1.70% of the Shares in issue upon the completion of the Global Offering.

The Offer Shares to be subscribed by Shenzhen Qianhai may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed “Structure of the Global Offering — Pricing and Allocation”.

Shenzhen Qianhai is a company incorporated in Shenzhen, China in 2014 and is controlled by Shenzhen Lotus-gesar Financial Holdings Co., Ltd. Shenzhen Qianhai is engaged in capital investment, asset management and corporate advisory services, for creating positive economic impact and long-term value for domestic and international institutional and individual clients.

Minsheng Education

Minsheng Education has agreed to subscribe for 209,000,000 Shares at the Offer Price, which may be purchased for an aggregate amount of HK\$56.4 million (assuming an Offer Price of HK\$0.27 (being the low-end of the Offer Price range set out in this prospectus)), HK\$66.9 million (assuming an Offer Price of HK\$0.32 (being the mid-point of the Offer Price range set out in this prospectus)) or HK\$77.3 million (assuming an Offer Price of HK\$0.37 (being the high-end of the Offer Price range set out in this prospectus)) (excluding brokerage and the levies which Minsheng Education will pay in respect of the Shares).

Assuming no exercise of the Over-allotment Option, the total number of Offer Shares that Minsheng Education would subscribe for would represent approximately 33.26% of the Offer Shares, and approximately 8.32% of the Shares in issue upon the completion of the Global Offering. Assuming full exercise of the Over-allotment Option, the total number of Offer Shares that Minsheng Education would subscribe for would represent approximately 28.92% of the Offer Shares, and approximately 8.01% of the Shares in issue upon the completion of the Global Offering.

The Offer Shares to be subscribed by Minsheng Education will not be affected by any reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the section headed “Structure of the Global Offering — Pricing and Allocation”.

Minsheng Education was incorporated in Cayman Islands in 2007. It is a wholly-owned subsidiary of Minsheng Education Group Company Limited, listed on the Stock Exchange in 2017 (stock code: 1569). The principal activity of Minsheng Education is investment holding.

To the best knowledge of our Company, each of the Cornerstone Investors is an independent third party independent from our Company, the connected persons of the Company and their respective associates. The Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the relevant cornerstone investment agreement disclosed in this section.

THE CORNERSTONE INVESTMENT AGREEMENTS

The Cornerstone Placing will form part of the International Offering. The subscription of the Offer Shares by each of the Cornerstone Investors shall comply with the applicable requirements of the Stock Exchange and the Listing Rules. The Offer Shares to be subscribed for by each of the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Shares then in issue upon completion of the Global Offering and to be listed on the Stock Exchange, and will be counted towards the public float of our Shares. Immediately following completion of the Global Offering, the Cornerstone Investors will not have any representation on the Board, nor will each of the Cornerstone Investors become a substantial shareholder of our Company. Details of the allocations to the Cornerstone Investors will be disclosed in the announcement of results of allocations in the Hong Kong Public Offering to be published on Thursday, 10 May 2018. No special rights have been granted to the Cornerstone Investors as part of the Cornerstone Placing.

Conditions Precedent

The subscription by each of the Cornerstone Investors is subject to, among other things, the satisfaction of certain conditions precedent, including the following:

- (a) the Company, the Underwriters and other relevant parties entering into the Underwriting Agreements;
- (b) the Underwriting Agreements having become effective and unconditional by no later than the time and date as specified in the Underwriting Agreements;
- (c) none of the Underwriting Agreements having been terminated;
- (d) the Offer Price having been agreed upon between the Company and the Joint Global Coordinators (on behalf of the Underwriters);
- (e) the Listing Committee having granted approval for the listing of, and permission to deal in, the Shares and that such approval or permission has not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (f) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the relevant cornerstone investment agreement and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (g) the representations, warranties, undertakings, acknowledgements and confirmations of each of the Cornerstone Investors in the relevant cornerstone investment agreement are true and accurate in all material respects and not misleading and that there is no material breach of the relevant cornerstone investment agreement on the part of such Cornerstone Investor.

CORNERSTONE INVESTORS

Pursuant to the respective cornerstone investment agreements, if any of the conditions precedent has not been fulfilled or waived by the parties to the agreement, the obligation of each of the Cornerstone Investors to subscribe for, and our Company's and the Joint Global Coordinators' obligations to issue, place, allocate and/or deliver, the Offer Shares shall cease and the relevant cornerstone investment agreement will terminate.

Restriction on Disposal by the Cornerstone Investors

Each of the Cornerstone Investors has agreed and has undertaken to our Company and the Joint Global Coordinators that, unless it has obtained the prior written consent of each of our Company and the Joint Global Coordinators, it will not at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), directly or indirectly, (i) dispose of, in any way, any of the Shares subscribed for by it under the relevant cornerstone investment agreement (the "**Relevant Shares**") or any interest in any company or entity holding any of the Relevant Shares; (ii) allow itself to undergo a change of control (as defined in the Takeovers Code) at the level of its ultimate beneficial owner; or (iii) enter into any transactions or arrangements directly or indirectly with the same economic effect as the transactions set out in (i) and (ii).

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See the section headed “Business — Business Strategies” in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

The net proceeds from the Global Offering, after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering, are estimated to be approximately HK\$162.1 million before any exercise of the Over-allotment Option, assuming an Offer Price of HK\$0.32 per Share, being the mid-point of the indicative Offer Price range of HK\$0.27 to HK\$0.37 per Share. We intend to use such net proceeds for the following purposes:

We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

- Approximately HK\$66.5 million (approximately 41.0% of our total estimated net proceeds) for investments to expand our presence in China and Australia by acquiring or investing in educational groups or institutions. Further allocation and criteria are described as below:
 - Approximately 30.7% of estimated net proceeds for acquisitions, mergers or equity investments in one suitable education group or institution in China, such as a high school or other education provider which may act as a source of students for our Institute. We seek to acquire or invest in an education group or institution in China in order to (i) diversify our education business portfolio, (ii) expand our student source and (iii) reduce reliance on and expenses for education agents. We believe that pursuing such acquisition or investment will enable us to proactively and directly promote our Institute by undertaking efforts at the target education provider to stimulate student interest in studying at our Institute. Such efforts may include (i) appointing senior management with Australian education industry background to the target, (ii) offering advance English language programs so that students can be language-ready to study in Australia, (iii) organising study tours to our Institute in Sydney so they are familiar with our campus and classes, (iv) promoting academic exchange with our Institute’s teaching staff so that students have a chance to experience the quality of our teaching and/or (v) establishing a streamlined admission process for students from the target education provider to our Institute, such as automatic application fee waivers.

We intend to complete such acquisition or investment before the end of the calendar year 2019. As at the Latest Practicable Date, we had not yet identified any definitive target to be acquired, invested in or partnered with. However, we aim to look for acquisition or investment target which can meet the following criteria:

- The schools operated by the education group or the institution are located in cities with relatively high economic development and preferably located in an area without an existing international high school, where there may be substantial potential for growth in overseas studies for high school students;

FUTURE PLANS AND USE OF PROCEEDS

- The aggregate minimum student capacity of the education group or the institution is around 6,000 to 10,000 for all levels;
- Able to eventually develop direct annual enrolments to our Institute of around 150 in around the third year after the acquisition or investment;
- Consideration and capital expenditure required is within the amount allocated from our net proceeds; and
- Able to generate an overall rate of return of not less than 20%.

Taking into account, among others, (i) the proposed amount of proceeds used for the acquisition/investment; (ii) the expected annual enrollment from the students at the acquired/invested target to our Institute; (iii) our current annual tuition per EFTSL of Chinese international student and the expected increase in tuition in the future; and (iv) our earnings before interest, tax, depreciation, amortization and listing expenses ratio (“**Earning Ratio**”) in the latest financial year, we expect it will take around eight to ten years for us to break even the cost of the PRC acquisition/investment.

- Approximately 10.3% of estimated net proceeds for acquisition of or investment in one potential target in Australia. We intend to complete such acquisition or investment before the end of the calendar year 2019. As at the Latest Practicable Date, we had not yet identified any definitive target to be acquired, or invested in. However we aim to look for acquisition or investment targets which can fulfill the following criteria:
 - Existing registration and accreditation with TEQSA;
 - Considered as a “low risk” provider by the Department of Home Affairs (a rating of level one or level two, which are the two lowest risk level ratings under the SSVF; for more details, please see the section headed “Regulatory Overview — Regulations in Relation to Higher Education in Australia — Provider of higher education to overseas students — (c) SSVF” in this prospectus) and by TEQSA (has received at least a five-year accreditation period with no major conditions);
 - For an information technology-specific target: accreditation in the information technology field for both undergraduate and postgraduate level courses;
 - For a target with student capacity of approximately 300, located in Sydney or interstate (e.g. Melbourne);
 - Consideration and capital expenditure required is within the amount allocated from our net proceeds; and
 - Able to generate an overall rate of return of not less than 20%.

Taking into account, among others, (i) the proposed amount of proceeds used for the acquisition/investment; (ii) the expected annual student enrollment of up to full capacity in around the third year after the acquisition or investment; (iii) our current annual

FUTURE PLANS AND USE OF PROCEEDS

tuition per EFTSL and the expected increase in tuition in the future; and (iv) our Earning Ratio in the latest financial year, we expect it will take around three to five years for us to break even the cost of the Australian acquisition/investment.

- Approximately HK\$43.2 million (approximately 26.7% of our total estimated net proceeds) for establishing six student experience centres in China. We expect that the net proceeds allocated will be sufficient for the set up of the centres and no additional funding is required. Each of these student experience centres will incorporate virtual reality or augmented reality technology to allow potential students to experience life in Sydney and at our Institute. We estimate that each centre will welcome approximately 10,000 to 30,000 visitors each year and we target to attract an average enrollment of 50 students from each centre per year. These centres are intended to serve as a marketing and promotional tool in order to (i) increase direct enrolments to our Institute, (ii) increase enrolments to our online programs, once available, (iii) promote our non-award programs to the Chinese market and (iv) enhance awareness and regard of our TOP brand among local agents, universities and high schools. Taking into account, among others, (i) the proposed investment costs for the set up of the student experience centres; (ii) the expected annual contribution of at least 50 student enrollments to our Institute from each centre; (iii) our current annual tuition per EFTSL of Chinese international students and the expected increase in tuition in the future; and (iv) our Earning Ratio in the latest financial year, we expect it will take around three to five years on average for us to break even the investment cost of each centre. Further allocation and details of the investment costs of each centre are described as below:
 - Approximately 6.2% of estimated net proceeds for the initial set up of a flagship centre.
 - The flagship centre is expected to have a size of approximately 800 sq.m., for facilities such as five or six VR experience rooms of 50–100 sq.m. each to accommodate at least 50 people each in addition to the VR equipment setup, a conference room, private consultation rooms, a student breakout area and offices for our marketing staff.
 - We estimate that the flagship centre will require approximately eight to ten months to set up and we intend to have the flagship centre ready for operation by the end of the calendar year 2019.
 - The flagship centre is expected to be located in a developed city such as Shenzhen.
 - Approximately 20.5% of estimated net proceeds for the establishment of an additional five student experience centres.
 - Each centre is expected to have size of approximately 600 sq.m., for facilities such as three or four VR experience rooms of 50–100 sq.m. each to accommodate at least 50 people each in addition to the VR equipment setup, a conference room, private consultation rooms, a student breakout area and offices for our marketing staff.

FUTURE PLANS AND USE OF PROCEEDS

- We estimate that each of the additional student experience centres will require approximately four to six months to set up, after the first flagship centre has been established. We intend to have the first additional student experience centre (after the flagship) ready for operation by the end of 2020, the second and third additional student experience centres ready for operation by the end of 2021, the fourth additional student experience centre ready for operation by the end of 2022 and the fifth additional student experience centre ready for operation by the end of 2023.
- The additional centres are expected to be located in select cities in city centre locations or within local university campuses. Please refer to the section headed “Business — Business Strategies — Develop our infrastructure and delivery model from traditional methods towards a more updated, digital direction” for details.
- Approximately HK\$15.3 million (approximately 9.4% of our total estimated net proceeds) for upgrading our campus infrastructure, with the aim of supporting a 5–10% increase in tuition rates, as further allocated below:
 - Approximately 4.0% of estimated net proceeds for increasing learning resources, such as our library;
 - Approximately 4.0% of estimated net proceeds for establishing an integrated management system; and
 - Approximately 1.4% of estimated net proceeds for further digitalization of our campus.
- Approximately HK\$5.0 million (approximately 3.1% of our total estimated net proceeds) for developing a long-term research foundation at our Institute and supporting scholarship activities and professional development by our academic staff as part of our strategy to obtain self-accrediting authority and eventually university status.
- Approximately HK\$7.1 million (approximately 4.4% of our total estimated net proceeds) for expanding our sales marketing activities, as further allocated below:
 - Approximately 2.9% of estimated net proceeds for establishing a better administrative office in Sydney city centre location for marketing, promotion and coordination in the central business district area; and
 - Approximately 1.5% of estimated net proceeds for expanding marketing and sales activities.
- Approximately HK\$8.0 million (approximately 4.9% of our total estimated net proceeds) for further development of SCDP as an online program which can be made available to a wide range of students by utilising an existing MOOC platform. We anticipate an investment payback period of approximately five years and a target rate of return of 20%. As at the

FUTURE PLANS AND USE OF PROCEEDS

Latest Practicable Date, we had commenced the conversion and design of SCDP for an online platform. We had not yet commenced other activities. Further allocation and details are as described below:

- Approximately 3.4% of estimated net proceeds for converting SCDP to an online platform; and
- Approximately 1.5% of estimated net proceeds for SCDP marketing expenses.
- Approximately HK\$8.9 million (approximately 5.5% of our total estimated net proceeds) for expanding our campus locations, which include acquiring new potential location in ATP, Sydney central business district, and in other Australian states, such as Tasmania or Melbourne. We will file application to TEQSA for additional student capacity upon acquisition of the new location for campus purpose.
- approximately HK\$8.1 million (approximately 5.0% of our total estimated net proceeds) for working capital and general corporate purposes, including, but not limited to, the further development of non-award programs.

We plan to use the majority of the net proceeds from the Global Offering in 2018 and 2019 for the above purposes with the remaining amount to be used by no later than 2023. As at the Latest Practicable Date, we did not have any definitive acquisition plan and had not identified any acquisition target in relation to our expansion plans. For information about possible risks associated with our expansion plans, see the section headed “Risk Factors — Difficulties in effectively managing growth may impact our ability to capitalise on new business opportunities” and “Risk Factors — Growth strategies may not be successfully executed” in this prospectus.

If the Offer Price is set at the low end of the indicative Offer Price range, the estimated net proceeds from the Global Offering, assuming that the Over-allotment Option is not exercised, will decrease to approximately HK\$131.8 million. In such event, we will adjust the intended use of the net proceeds for the above purposes on a pro-rata basis.

If the Offer Price is set at the high end of the indicative Offer Price range, the estimated net proceeds from the Global Offering, assuming that the Over-allotment Option is not exercised, will increase to approximately HK\$192.5 million. If the Over-allotment Option is exercised in full, assuming an Offer Price of HK\$0.27, HK\$0.32 and HK\$0.37 per Share, being the low end, mid-point and high end of the indicative Offer Price range, the estimated net proceeds from the Global Offering, including the net proceeds from the exercise of the Over-allotment Option, will increase to approximately HK\$156.4 million, HK\$191.3 million or HK\$226.1 million, respectively. In each of these events, the net proceeds will be allocated in the proportion calculated based on their respective initial allocation amounts.

To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit such net proceeds into interest-bearing bank accounts with licensed banks or financial institutions.

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HONG KONG UNDERWRITERS

China Galaxy International Securities (Hong Kong) Co., Limited
CCB International Capital Limited
Essence International Securities (Hong Kong) Limited
AMTD Global Markets Limited
First Capital Securities Limited
Ever-Long Securities Company Limited
China Everbright Securities (HK) Limited
Lego Securities Limited
Long Asia Securities Limited
Ballas Capital Limited
China Goldjoy Securities Limited
Huabang Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company has agreed to offer the Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms. Subject to, among other conditions, the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus by the Listing Committee and to certain other conditions set out in the Hong Kong Underwriting Agreement (including, among others, the Joint Global Coordinators, for themselves and on behalf of the Underwriters, and our Company agreeing to the final Offer Price), the Hong Kong Underwriters have agreed to subscribe or procure subscribers for the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional upon and subject to, among others, the International Underwriting Agreement having been signed and becoming unconditional.

Grounds for termination

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination with immediate effect by the Joint Global Coordinators, in their sole and absolute discretion (for themselves and on behalf of the Hong Kong Underwriters) by notice orally or in writing to our Company prior to 8:00 a.m. on the Listing Date if:

- (a) there develops, occurs, exists or comes into effect:
 - (i) any event, or series of events (either national or international), in the nature of force majeure (including, without limitation, epidemics, pandemics, outbreaks of diseases (including, without limitation, Severe Acute Respiratory Syndrome (**SARS**), Influenza A (**H5N1**) or swine or avian influenza (**H7N9**) or such related/mutated forms), fire, explosion, flooding, tsunami, earthquake, volcano eruption, ice-storm, calamity, crisis,

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- civil commotion, strikes, lock-outs, riot, public disorder, economic sanction, acts of government, declaration of a national or international emergency or war, outbreak or escalation of hostilities (whether or not war is declared), acts of war, acts of terrorism (whether or not responsibility has been claimed) or acts of God), severe or extended interruption in transportation, in or directly or indirectly affecting Hong Kong, Australia, Singapore, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan or any other jurisdiction in which our Company conducts business (each a “**Relevant Jurisdiction**”); or
- (ii) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any Relevant Jurisdiction; or
 - (iii) any change or development involving a prospective change, or any event or series of events likely to result or representing in any change, or development, or a prospective change or development, in local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency credit or market conditions (including, without limitation, any conditions affecting stock and bond markets, money and foreign exchange markets, investment markets and credit markets) in or affecting any Relevant Jurisdiction; or
 - (iv) any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the Australian Securities Exchange, the New York Stock Exchange, the NASDAQ National Markets, the London Stock Exchange, the Singapore Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange, or a devaluation of the HK\$, AUD\$ or the RMB against any foreign currencies; or
 - (v) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market; or
 - (vi) any general moratorium on commercial banking activities in any Relevant Jurisdiction imposed by any competent governmental authority or any disruption in commercial banking, foreign exchange trading or securities settlement or clearance services in those places; or
 - (vii) any new law or any change or development involving a prospective change in existing laws, or any event or circumstance likely to result in a change or development involving a prospective change in the existing laws, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting any Relevant Jurisdiction; or
 - (viii) (A) a change or development involving a prospective change in taxes or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the HK\$, AUD\$ or the RMB against any foreign currencies, a change in the system under which the value of the HK\$ is linked to that of the US\$

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or RMB is linked to any foreign currency or currencies), or (B) the implementation of any exchange control or taxation (including but not limited to ad valorem stamp duty) in any Relevant Jurisdiction adversely affecting an investment in the Shares; or

- (ix) the issue or requirement to issue by our Company of a supplemental or amendment to, this prospectus, the Application Forms or other documents in connection with the offer and sale of the Shares pursuant to the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Australian Corporations Act, the Listing Rules or other applicable laws or upon any requirement or request of the Stock Exchange or the SFC, in circumstances where the matter to be disclosed could, in the opinion of the Joint Global Coordinators, adversely affect the marketing for or implementation of the Global Offering; or
- (x) any change or development involving a prospective change which has the effect of materialization of any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (xi) any material adverse change or prospective material adverse change, or any development involving a prospective material adverse change, in or affecting the assets, liabilities, general affairs, business, management, prospects, shareholders’ equity, profits, losses, results of operations, positions or condition, financial, operational or otherwise, or performance of our Company (including any litigation or claim of any third party being threatened or instigated against our Company); or
- (xii) any actual or potential litigation, dispute, legal action, claim or legal proceeding of any third party being threatened or instigated against our Company (including any of which would materially affect the operation, financial condition, reputation or composition of the board of the Company); or
- (xiii) a Director being charged with an indictable offense or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (xiv) the chairman or chief executive officer of our Company vacating his office; or
- (xv) a contravention by our Company of the Listing Rules or applicable laws; or
- (xvi) a prohibition on our Company for whatever reason from allotting, issuing or selling, as the case may be, any of the Offer Shares (including the Over-Allotment Option) pursuant to the terms of the Global Offering; or
- (xvii) a non-compliance of, among other documents, this prospectus, the Application Forms or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (xviii) any demand by creditors for repayment of indebtedness or an order or petition for the winding up of our Company or any composition or arrangement made by our Company with its creditors or a scheme of arrangement entered into by our Company or any

UNDERWRITING

resolution for the winding-up of our Company or the appointment of a provisional liquidator, receiver or manager over all or part of the assets or undertaking of our Company or anything analogous thereto occurring in respect of our Company; or

- (xix) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or on, any Relevant Jurisdiction,

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Global Coordinators (1) is or will or is likely to be materially adverse to, or materially and prejudicially affects, the assets, liabilities, general affairs, business, management, prospects, shareholders' equity, profits, losses, results of operations, positions or condition, financial, operational or otherwise, or performance of our Company as a whole or to any present or prospective shareholders of our Company in its capacity as such; or (2) has or will have or is likely to have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering or (3) makes it or will make it or is likely to make it inadvisable or inexpedient or incapable or impracticable for the Global Offering to proceed or to market the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by, among other documents, this prospectus and the Application Forms; or (4) has or will have or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable, inadvisable or impracticable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (b) there has come to the notice of the Joint Global Coordinators after the date of the Hong Kong Underwriting Agreement:
 - (i) that any statement contained in this prospectus and/or the Application Forms and/or any announcement or advertisement issued by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, in the sole and absolute opinion of the Joint Global Coordinators, when it was issued, or has become, untrue, incorrect or misleading, or with omission to state any fact which is material for disclosure as required by applicable laws to be disclosed in, among other documents, this prospectus and the Application Forms (assuming that the relevant documents were to be issued immediately after occurrence of such matter or event) or that any forecast, expression of opinion, intention or expectation expressed in, among other documents, this prospectus and/or the Application Forms and/or any announcements or advertisements, communications or other documents issued by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was made, not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, in any material respect; or
 - (ii) any contravention by our Company or any Director of the Australian Corporations Act, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules or any other applicable law or regulations; or

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- (iii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material misstatement in any of this prospectus and/or the Application Forms or constitute a material omission therefrom; or
- (iv) any breach of any of the obligations of our Company or Dr. Zhu under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (v) any event, act or omission which gives or is likely to give rise to any liability of our Company or Dr. Zhu, or any of them pursuant to the Hong Kong Underwriting Agreement; or
- (vi) any breach or alleged breach of any of the warranties or undertakings of the Hong Kong Underwriting Agreement, or any of (or any event rendering any of) the warranties or undertakings of the Hong Kong Underwriting Agreement is (or would when repeated be) untrue, incorrect, incomplete or misleading; or
- (vii) that a significant portion of the orders in the bookbuilding process at the time when the International Underwriting Agreement is entered into have been withdrawn, terminated, cancelled or otherwise not fulfilled; or
- (viii) that the investment commitments by any cornerstone investors after signing of agreements with such cornerstone investors (including any or more of the cornerstone investment agreements disclosed in this prospectus) have been withdrawn, terminated, cancelled or otherwise not fulfilled; or
- (ix) that the grant or agreement to grant by the Listing Committee of the Listing on the Main Board of, and permission to deal on the Main Board in, the Shares in issue and to be issued pursuant to the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-Allotment Option, any Shares which may be allotted and issued upon vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme as at the Latest Practicable Date) (the “**Admission**”) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the Admission is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (x) that our Company withdraws this prospectus (or any other documents used in connection with the contemplated offer of the Shares) or the Global Offering; or
- (xi) that any expert whose consent is required for the issue of this prospectus with inclusion of its reports and/or letters (as the case may be) and references to its name in the form and context in which they appear has withdrawn its consent to the issue of this prospectus.

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Undertakings to the Stock Exchange under the Listing Rules

By us

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that, except pursuant to the Global Offering, the Over-allotment Option, the Pre-IPO Performance Rights Plan and the Share Option Scheme as described and contained in this prospectus, no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except for the circumstances as permitted by Rule 10.08(1) to (5) of the Listing Rules.

By the Controlling Shareholders Group

Pursuant to Rule 10.07(1) of the Listing Rules, each member of the Controlling Shareholders Group (as the controlling shareholders of our Company collectively holding approximately 45.27% shareholding interest prior to Listing) has undertaken to the Stock Exchange that he/it shall not and shall procure that the registered holders controlled by him/it shall not:

- (i) during the period commencing on the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date (the “**First Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those Shares in respect of which he/it is shown by this prospectus to be the beneficial owners; and
- (ii) in the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, the Controlling Shareholders Group collectively as a group would cease to be the controlling shareholders of our Company.

Each member of the Controlling Shareholders Group has also undertaken to the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it will:

- (a) when he/it pledges or charges any Shares beneficially owned by him/it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, immediately inform us of such pledge or charge together with the number of Shares so pledged or charged; and
- (b) when it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, immediately inform us of such indications.

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Our Company shall also inform the Stock Exchange in writing as soon as it has been informed of the above matters (if any) by any members of the Controlling Shareholders Group and disclose such matters by way of a public announcement to be published in accordance with the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

By us

Our Company has undertaken that during the First Six-Month Period, we will not, and will procure that our subsidiaries will not, without the prior written consent of the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable) or deposit any share capital or other securities of our Company, as applicable, with a depository in connection with the issue of depository receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable); or
- (c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) and (b) above; or
- (d) offer to or agree to do any of the foregoing or announce any intention to effect any transaction specified in paragraphs (a), (b) or (c) above, in each case, whether any of the foregoing transactions is to be settled by delivery of the Shares or such other securities of our Company, as applicable, or in cash or otherwise (whether or not such issue of the Shares or securities will be completed within such period),

provided that the foregoing restrictions shall not apply to the issue of Shares by our Company pursuant to the Global Offering, the Over-allotment Option, the Share Option Scheme or upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan.

In the event of our Company doing any of the foregoing by virtue of the aforesaid exceptions or during the Second Six-Month Period, our Company will take all reasonable steps to ensure that any such act will not create a disorderly or false market for any Shares or other securities of our Company.

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By the Controlling Shareholders Group

Each member of the Controlling Shareholders Group has undertaken that, save as pursuant to the Stock Borrowing Agreement, without the prior written consent of the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and our Company and unless in compliance with the requirements of the Listing Rules, he/it will not and, will procure that none of his/its affiliates will, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on the date which is 12 months after the Listing Date:

- (a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares (including any Shares held or to be held by him/her/it as at the date of the Hong Kong Underwriting Agreement or on the Listing Date, any Shares which may be allotted and issued to him/her upon the vesting of the Performance Rights granted under the Pre-IPO Performance Rights Plan or any Shares that may be issued upon the exercise of any options granted under the Share Option Scheme) or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable); or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or
- (c) enter into any transaction with the same economic effect as any transaction specified in paragraph (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in paragraph (a), (b) or (c) above, in each case, whether any of the transactions specified in paragraph (a), (b) or (c) above is to be settled by delivery of the Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period).

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By the Pre-IPO Investors

Each of the Pre-IPO Investors (other than members of the Controlling Shareholders Group) has undertaken that, without the prior written consent of the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, he/she/it will not and, will procure that none of his/her affiliates will, during the First Six-Month Period:

- (a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares (including any Shares held or to be held by him/her/it as at the date of the Hong Kong Underwriting Agreement or on the Listing Date, any Shares which may be allotted and issued to him/her upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan or any Shares that may be issued upon the exercise of any options granted under the Share Option Scheme) or any other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares, as applicable); or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or
- (c) enter into any transaction with the same economic effect as any transaction specified in paragraph (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in paragraph (a), (b) or (c) above, in each case, whether any of the transactions specified in paragraph (a), (b) or (c) above is to be settled by delivery of the Shares or such other securities of our Company or in cash or otherwise (whether or not the issue of Shares or such other securities will be completed within the aforesaid period),

provided that the above restrictions shall not apply to PwC Nominees and the Third Round Pre-IPO Investors if PwC Nominees or any Third Round Pre-IPO Investor (as appropriate) notifies the Company and the Joint Global Coordinators in writing that it is obliged to dispose of its Shares for reasons relating to audit independence at least three business days prior to such intended disposal of its Shares.

The International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that the Company will enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set out therein, the International

UNDERWRITING

Underwriters would severally agree to procure purchasers for, or to purchase, Offer Shares being offered pursuant to the International Offering. In the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Underwriting Commissions and Expenses

The Underwriters are expected to receive underwriting commissions of 3.5% of the Offer Price of all the Offer Shares (including any Shares to be issued pursuant to the Over-allotment Option), out of which they will pay any sub-underwriting commissions. Such underwriting commissions payable to the Underwriters, together with the Stock Exchange listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing and other expenses relating to the Global Offering, are currently estimated to be approximately HK\$57.1 million in aggregate (based on an Offer Price of HK\$0.32 per Share, being the mid-point of the indicative Offer Price range of HK\$0.27 to HK\$0.37 per Share, and on the assumption that the Over-allotment Option is not exercised), which are to be borne by our Company.

In addition, our Company may, at its absolute discretion, pay the Underwriters an incentive fee of up to 1% of the Offer Price of all the Offer Shares (including any Shares to be issued pursuant to the Over-allotment Option).

INDEMNITY

Each of our Company and Dr. Zhu (collectively the “**Indemnity Covenantors**”) has agreed to indemnify the Hong Kong Underwriters against certain losses which the Hong Kong Underwriters may suffer, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Indemnity Covenantors of the Hong Kong Underwriting Agreement.

INDEPENDENCE OF THE SOLE SPONSOR

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

UNDERWRITERS’ INTERESTS IN OUR COMPANY

Save for their obligations under the relevant Underwriting Agreements, none of the Underwriters has any shareholding in our Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

STRUCTURE OF THE GLOBAL OFFERING

OFFER PRICE AND PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK\$0.37 per Offer Share and is expected to be not less than HK\$0.27 per Offer Share. Applicants under the Hong Kong Public Offering should pay, on application, the maximum price of HK\$0.37 per Share plus 1.0% brokerage fee, 0.0027% SFC transaction levy and 0.005% Stock Exchange trading fee amounting to a total of HK\$3,737.29 for one board lot of 10,000 Shares.

If the Offer Price, as finally determined in the manner described below, is lower than HK\$0.37, being the maximum price, we will refund the respective difference (including the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) to successful applicants, without interest. Further details are set out in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

DETERMINING THE OFFER PRICE

The Offer Price is expected to be determined by agreement between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or around Thursday, 3 May 2018 and in any event, unless otherwise announced, no later than Wednesday, 9 May 2018.

The Offer Price will be no more than HK\$0.37 per Offer Share and is expected to be no less than HK\$0.27 per Offer Share. The Offer Price will be determined within the Offer Price range as stated in this prospectus unless otherwise announced, not later than the last expected Price Determination Date. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

The Joint Global Coordinators, on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional, corporate and other investors during the book-building process, and with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of the Stock Exchange at www.hkexnews.hk and of our Company at www.top.edu.au notices of the reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range. Upon issue of such a notice, the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon with us, will be fixed within such revised Offer Price range. We will, as soon as practicable following the decision to make such reduction, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range, extend the period under which the Hong Kong Public Offering was opened for acceptance to allow potential investors sufficient time to consider their subscriptions or reconsider their submitted subscriptions, and give potential investors who had applied for the Hong Kong Offer Shares the right to withdraw their applications under the Hong Kong Public Offering. Such notice and supplemental prospectus will also include confirmation or revision, as appropriate, of the working

STRUCTURE OF THE GLOBAL OFFERING

capital statement, the offer statistics as currently set out in the section headed “Summary” of this prospectus and any other financial information which may change materially as a result of such reduction.

In the absence of any notice being published on the websites of the Stock Exchange at www.hkexnews.hk and of our Company at www.top.edu.au of a reduction in the indicative Offer Price range stated in this prospectus on or before the morning of the last day for lodging applications under the Hong Kong Public Offering, the Offer Price, if agreed by us, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If we are unable to reach agreement with the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on the Offer Price on or before Thursday, 3 May 2018, being the first expected Price Determination Date, and, in any event, if we are unable to reach agreement with the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on the Offer Price by Wednesday, 9 May 2018, unless otherwise announced, the Global Offering will not become unconditional and will lapse immediately.

We expect to publish an announcement of the Offer Price, together with the level of interest in the International Offering and the results of application and basis of allotment of the Hong Kong Offer Shares, on Thursday, 10 May 2018.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering and the International Offering. We intend to make available initially up to 628,400,000 Shares under the Global Offering (assuming the Over-allotment Option is not exercised), of which 565,560,000 Shares will initially be conditionally placed pursuant to the International Offering and the remaining 62,840,000 Shares will initially be offered to the public in Hong Kong at the Offer Price under the Hong Kong Public Offering (subject, in each case, to reallocation on the basis described below under “— The Hong Kong Public Offering” in this section). The International Offer Shares are conditionally placed with professional, institutional, corporate and other investors whom we anticipate to have a sizeable demand for the Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S.

Investors may apply for our Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for our Offer Shares under the International Offering, but may not do both. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. The International Offering involves selective marketing of our Shares to professional, institutional, corporate and other investors anticipated to have a sizeable demand for such Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Under the International Offering, through a process known as “bookbuilding,” prospective professional, institutional, corporate and other investors are required to specify the number of our Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price.

STRUCTURE OF THE GLOBAL OFFERING

Allocation of our Shares pursuant to the International Offering will be determined by the Joint Global Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell, Shares, after the Listing. Such allocation is intended to result in a distribution of Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our shareholders as a whole.

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants, although the allocation of Hong Kong Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

In connection with the Global Offering, we intend to grant the Over-allotment Option to the International Underwriter(s) pursuant to the International Underwriting Agreement, exercisable by the Joint Global Coordinators on behalf of the International Underwriters. The Over-allotment Option gives the Joint Global Coordinators the right exercisable at any time from the date of the International Underwriting Agreement up to the thirtieth day from the last day for the lodging of applications under the Hong Kong Public Offering to require us to issue up to an aggregate of 94,260,000 new Shares, representing 15% of the initial size of the Global Offering at the Offer Price solely to cover over-allocations in the International Offering if any. The Joint Global Coordinators may also cover such over-allocations by purchasing the Offer Shares in the secondary market or by a combination of purchases in the secondary market and a partial exercise of the Over-allotment Option. Any such secondary market purchase will be made in compliance with all applicable laws, rules and regulations. In the event that the Over-allotment Option is exercised, an announcement will be made. For further details, please refer to “— The Over-allotment Option” in this section.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters and the International Offering is expected to be fully underwritten by the International Underwriters in each case on a several basis, each being subject to the conditions set out in the section headed “— Conditions of the Hong Kong Public Offering” below. We entered into the Hong Kong Underwriting Agreement and, subject to an agreement on the Offer Price between us and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), we expect to enter into the International Underwriting Agreement on or around Thursday, 3 May 2018. The Hong Kong Underwriting Agreement and the International Underwriting Agreement are expected to be conditional upon each other.

THE HONG KONG PUBLIC OFFERING

The Hong Kong Public Offering is a fully underwritten public offer (subject to agreement as to pricing and satisfaction or waiver of the other conditions set out in the Hong Kong Underwriting Agreement) for the subscription in Hong Kong of initially 62,840,000 Shares at the Offer Price (representing 10% of the total number of Shares initially available under the Global Offering). Subject to the reallocation of Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 25% of our Company's enlarged issued share

STRUCTURE OF THE GLOBAL OFFERING

capital immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued upon vesting of performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme).

The total number of Offer Shares available under the Hong Kong Public Offering (after taking into account any adjustment in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Offering) is to be divided into two pools for allocation purposes (subject to adjustment of odd lot size): pool A and pool B. The Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the total value of pool B. Applicants should be aware that applications in pool A and in pool B may receive different allocation ratios. If the Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Offer Shares will be transferred to the other pool to satisfy demand in that pool and be allocated accordingly. Applicants can only receive an allocation of the Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications within pool A or pool B, and between the two pools, and any application for more than 31,420,000 Offer Shares (being 50% of the 62,840,000 Hong Kong Offer Shares initially available under the Hong Kong Public Offering) will be rejected. Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any Offer Shares under the International Offering, and such applicant's application will be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the sole discretion of the Joint Global Coordinators.

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment. If the number of Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 188,520,000 Offer Shares, representing 30% of the Offer Shares initially available under the Global Offering. If the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased so that the total number of Offer Shares available under the Hong Kong Public Offering will be 251,360,000 Shares, representing 40% of the Offer Shares initially available under the Global Offering. If the number of Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong

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Kong Public Offering from the International Offering will be increased, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 314,200,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering. In each such case, the additional Shares reallocated to the Hong Kong Public Offering will be allocated equally (subject to adjustment of odd lot size) between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced, in such manner as the Joint Global Coordinators deems appropriate.

In addition, if the Hong Kong Public Offering is not fully subscribed, the Joint Global Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such proportion and amounts as they deem appropriate. Conversely, if the International Offer Shares are undersubscribed under the Global Offering and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times of the initial number of the Hong Kong Offer Shares, then up to 62,840,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 125,680,000 Shares, representing 20% of the number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed by less than 15 times or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed, the Offer Price shall be fixed at HK\$0.27 per Offer Share (being the low-end of the indicative Offer Price range stated in this prospectus).

If such reallocation is done other than pursuant to Practice Note 18 of the Listing Rules, in accordance with Guidance Letter HKEX-GL91-18, the maximum total number of Offer Shares that may be reallocated to the Hong Kong Public Offering will be 125,680,000 Shares, representing double of the initial allocation to the Hong Kong Public Offering, and the final Offer Price shall be fixed at the low-end of the indicative offer price range (that is, HK\$0.27 per Offer Share) stated in this prospectus.

References in this prospectus to applications, Application Forms, application or subscription monies or the procedure for application relate solely to the Hong Kong Public Offering.

CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for the Offer Shares pursuant to the Hong Kong Public Offering will be conditional on:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon vesting of performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme) and such listing and permission not subsequently having been revoked prior to the commencement of dealings in our Shares on the Stock Exchange;

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- (b) the Offer Price having been duly agreed between us and the Joint Global Coordinators (for themselves and on behalf of the Underwriters);
- (c) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- (d) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Joint Global Coordinators, on behalf of the Underwriters) and such obligations not being terminated in accordance with the terms of the respective Underwriting Agreements,

in each case, on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 30 days after the date of this prospectus.

The consummation of the Hong Kong Public Offering is conditional upon, among other things, the International Offering and the Hong Kong Public Offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and we will notify the Stock Exchange immediately. We will publish or cause to be published a notice of the lapse of the Hong Kong Public Offering on the websites of the Stock Exchange at www.hkexnews.hk and of our Company at www.top.edu.au on the next day following such lapse.

In case the Hong Kong Public Offering lapses, we will return all application monies to the applicants, without interest and on the terms set out under the section headed “How to Apply for the Hong Kong Offer Shares” in this prospectus. In the meantime, we will hold all application monies in a separate bank account or separate bank accounts with the receiving banker(s) or other bank(s) licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

THE INTERNATIONAL OFFERING

The number of Offer Shares initially offered for subscription or purchase under the International Offering are 565,560,000 Offer Shares, representing 90% of the Offer Shares initially available under the Global Offering. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Pursuant to the International Offering, the International Offer Shares are conditionally placed by the International Underwriters, or through selling agents appointed by them, with professional, institutional, corporate and other investors anticipated to have a sizeable demand for Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered the Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Global

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Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that such investor is excluded from any application of the Offer Shares under the Hong Kong Public Offering.

THE OVER-ALLOTMENT OPTION

In connection with the Global Offering, we intend to grant the Over-allotment Option to the International Underwriters, exercisable by the Joint Global Coordinators on behalf of the International Underwriters.

The Over-allotment Option gives the Joint Global Coordinators the right exercisable at any time from the date of the International Underwriting Agreement until 30 days from the last day for the lodging of applications under the Hong Kong Public Offering to require us to issue up to an aggregate of 94,260,000 new Shares, representing in aggregate 15% of the initial size of the Global Offering at the Offer Price solely to cover over-allocations in the International Offering, if any. The Joint Global Coordinators may also cover such over-allocations by purchasing Shares in the secondary market or by a combination of purchase in the secondary market and a partial exercise of the Over-allotment Option. Any such secondary market purchase will be made in compliance with all applicable laws, rules and regulations.

If the Joint Global Coordinators exercises the Over-allotment Option in full, the additional Shares will represent approximately 3.61% of our enlarged share capital following the completion of the Global Offering (without taking into account any Shares to be issued upon vesting of performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme). In the event that the Over-allotment Option is exercised, an announcement will be made.

In order to facilitate settlement of over-allocations in connection with the International Offering, Dr. Zhu and the Stabilising Manager will enter into the Stock Borrowing Agreement. Under the Stock Borrowing Agreement, Dr. Zhu will agree with the Stabilising Manager that, if requested by the Stabilising Manager, he will, subject to the terms of the Stock Borrowing Agreement, make available to the Stabilising Manager up to 94,260,000 Shares held by Dr. Zhu by way of stock lending, in order to cover over-allocations in connection with the International Offering.

The Stock Borrowing Agreement, in compliance with Rule 10.07(3) of the Listing Rules, provides that such stock borrowing arrangement will only be effected by the Stabilising Manager for the purpose of settling over-allocations of Shares in connection with the International Offering and covering any short position prior to the exercise of the Over-allotment Option. The aggregate maximum number of shares to be borrowed from Dr. Zhu under the Stock Borrowing Agreement will be limited to the maximum number of Shares which may be issued upon exercise of the Over-allotment Option. The same number of Shares so borrowed is to be returned to Dr. Zhu or their respective nominees, as the case may be, not later than the third business day following the earlier of (i) the day on which the Over-allotment Option is exercised in full, or (ii) the last day on which the Over-allotment Option may be exercised by the Stabilising Manager. The stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws, rules and regulatory requirements. No payments or other benefits will be made to Dr. Zhu by the Stabilising Manager or any of the International Underwriters in relation to such stock borrowing arrangement.

STRUCTURE OF THE GLOBAL OFFERING

STABILISING ACTION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to minimise and, if possible, prevent a decline in the initial public offer prices. In Hong Kong and certain other jurisdictions, the price at which stabilisation is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilising Manager, or any person acting for it, on behalf of the Underwriters, may, to the extent permitted by applicable laws, rules and regulations of Hong Kong, over-allocate or effect transactions with a view to stabilising or maintaining the market price of our Shares at a level higher than that which might otherwise prevail in the open market for a limited period commencing after the last day of the lodging of applications under the Hong Kong Public Offering. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilising Manager or any person acting for it to conduct any stabilising activity. Such stabilisation, if commenced, will be conducted at the absolute discretion of the Stabilising Manager or any person acting for it and may be discontinued at any time, and must be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of Shares that may be over-allocated will not be greater than the number of Shares which may be sold upon exercise of the Over-allotment Option, being a maximum of 94,260,000 new Shares, which represent 15% of the Shares initially available under the Global Offering.

The Stabilising Manager or any person acting for it may take all or any of the following stabilising actions in Hong Kong during the stabilisation period:

- (i) purchase, or agree to purchase, any of our Shares or offer or attempt to do so for the sole purpose of preventing or minimising any reduction in the market price of our Shares; and/or
- (ii) in connection with any action described in paragraph (i) above:
 - (A) (1) over-allocate our Shares; or
 - (2) sell or agree to sell our Shares so as to establish a short position in them, for the sole purpose of preventing or minimising any reduction in the market price of our Shares;
 - (B) stock borrowing;
 - (C) exercise the Over-allotment Option and purchase or subscribe for or agree to purchase or subscribe for our Shares in order to close out any position established under paragraph (A) above;
 - (D) sell or agree to sell any of our Shares acquired by it in the course of the stabilising action referred to in paragraph (i) above in order to liquidate any position that has been established by such action; and/or

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- (E) offer or attempt to do anything as described in paragraph (ii)(A)(2), (ii)(B), (ii)(C) or (ii)(D) above.

The Stabilising Manager, or any person acting for it, may, in connection with the stabilising action, maintain a long position in the Shares, and there is no certainty as to the extent to which and the time period for which it will maintain such a position. Investors should be warned of the possible impact of any liquidation of the long position by the Stabilising Manager or any person acting for it, which may include a decline in the market price of our Shares.

Stabilisation cannot be used to support the price of our Shares for longer than the stabilisation period, which begins on the day on which dealings in our Shares commence on the Stock Exchange and ends on the thirtieth day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilisation period is expected to expire on Saturday, 2 June 2018. After this date, when no further stabilising action may be taken, demand for our Shares, and therefore their market price, could fall. A public announcement will be made within seven days after the end of the stabilising period in accordance with the Securities and Futures (Price Stabilizing) Rules of the SFO.

Any stabilising action taken by the Stabilising Manager, or any person acting for it, may not necessarily result in the market price of our Shares staying at or above the Offer Price either during or after the stabilisation period. Stabilisation bids or market purchases effected in the course of the stabilising action may be made at any price at or below the Offer Price and can therefore be done at a price below the price investors have paid in acquiring our Shares.

DEALING

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, 11 May 2018, it is expected that dealings in our Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, 11 May 2018. The Shares will be traded on the Main Board in board lots size of 10,000 Shares each under the Company's stock code 1752.

UNDERWRITING ARRANGEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to agreement on the Offer Price between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us on the Price Determination Date and subject to the other conditions set out in the section headed “— Conditions of the Hong Kong Public Offering” above.

We expect, shortly after determination of the Offer Price on the Price Determination Date, to enter into the International Underwriting Agreement relating to the International Offering.

UNDERWRITING ARRANGEMENTS, THE HONG KONG UNDERWRITING AGREEMENT AND THE INTERNATIONAL UNDERWRITING AGREEMENT ARE SUMMARISED IN THE SECTION HEADED “UNDERWRITING” IN THIS PROSPECTUS.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

1. HOW TO APPLY

If you apply for the Hong Kong Offer Shares, then you may not apply for or indicate an interest for the International Offer Shares.

To apply for the Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **White Form eIPO** service at www.eipo.com.hk; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sole Sponsor, the Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers, the **White Form eIPO** Service Provider and their respective agents and nominees may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for the Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the US Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **White Form eIPO** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number; and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, our Company, the Sole Sponsor and the Joint Global Coordinators, the Joint Bookrunners and Joint Lead Managers may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **White Form eIPO** service for the Hong Kong Offer Shares.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of Shares in our Company and/or any of its subsidiaries;
- a Director or chief executive officer of our Company and/or any of its subsidiaries;
- a connected person or a core connected person (as defined in the Listing Rules) of our Company or will become a connected person or a core connected person of our Company immediately upon completion of the Global Offering;
- an associate or a close associate (as defined in the Listing Rules) of any of the above; and
- have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering.

3. APPLYING FOR THE HONG KONG OFFER SHARES

Which Application Channel to Use

For the Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through www.eipo.com.hk.

For the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 27 April 2018 until 12:00 noon on Thursday, 3 May 2018 from:

- (i) the following address of the Hong Kong Underwriters:

China Galaxy International Securities (Hong Kong) Co., Limited	20th Floor Wing On Centre 111 Connaught Road Central Sheung Wan Hong Kong
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CCB International Capital Limited	12/F., CCB Tower 3 Connaught Road Central Central Hong Kong
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HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Essence International Securities (Hong Kong) Limited	39/F, One Exchange Square Central Hong Kong
AMTD Global Markets Limited	23/F & 25/F Nexxus Building No. 41 Connaught Road Central Central Hong Kong
First Capital Securities Limited	Unit 4512, 45/F, The Center 99 Queen's Road Central Central Hong Kong
Ever-Long Securities Company Limited	18/F, Dah Sing Life Building 99–105 Des Voeux Road Central Hong Kong
China Everbright Securities (HK) Limited	24/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Lego Securities Limited	Room 804, 8/F Jubilee Centre 46 Gloucester Road Wanchai Hong Kong
Long Asia Securities Limited	Unit A, 23/F, The Wellington 198 Wellington Street Sheung Wan Hong Kong
Ballas Capital Limited	Unit 1802, 18/F 1 Duddell Street Central Hong Kong
China Goldjoy Securities Limited	Unit 1703–06, Infinitus Plaza 199 Des Voeux Road Central Hong Kong

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Huabang Securities Limited
Unit 2901–2, 29/F
Enterprise Square Two
3 Sheung Yuet Road
Kowloon Bay, Kowloon
Hong Kong

(ii) any of the following designated branches of the receiving bank(s):

<u>District</u>	<u>Branch Name</u>	<u>Address</u>
Hong Kong Island	Sheung Wan Branch	Shop 1–4, G/F, Tung Hip Commercial Building, 244–248 Des Voeux Road Central
	Johnston Road Branch	152–158 Johnston Road, Wan Chai
Kowloon	Mei Foo Mount Sterling Mall Branch	Shop N47–49 Mount Sterling Mall, Mei Foo Sun Chuen
New Territories	Citywalk Branch	Shop 65, G/F, Citywalk, 1 Yeung Uk Road, Tsuen Wan

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 27 April 2018 until 12:00 noon on Thursday, 3 May 2018 from:

- the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong; or
- your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "BANK OF CHINA (HONG KONG) NOMINEES LIMITED — TOP EDUCATION GROUP PUBLIC OFFER" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Friday, 27 April 2018 — 9:00 a.m. to 5:00 p.m.
Saturday, 28 April 2018 — 9:00 a.m. to 1:00 p.m.
Monday, 30 April 2018 — 9:00 a.m. to 5:00 p.m.
Wednesday, 2 May 2018 — 9:00 a.m. to 5:00 p.m.
Thursday, 3 May 2018 — 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, 3 May 2018, the last application day or such later time as described in "— 10. Effect of Bad Weather on the Opening of the Application Lists" in this section.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **White Form eIPO** service, among other things, you:

- (i) undertake to execute all relevant documents and instruct and authorise our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Constitution;
- (ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Constitution;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, agents, affiliates or advisors or any other party involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;
- (viii) agree to disclose to our Company, the Hong Kong Share Registrar, receiving bank, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective directors, officers, employees, agents, affiliates or advisors or any other party involved in the Global Offering any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

nor any of their respective directors, officers, employees, agents, affiliates or advisors or any other party involved in the Global Offering will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application, any acceptance of it and the resulting contract will be governed and construed in accordance with the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the US Securities Act and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or its agents to send any Share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have fulfilled the criteria mentioned in "Personal Collection" section in this prospectus to collect the Share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company, our Directors, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or

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YELLOW Application Form or by giving electronic application instructions to HKSCC and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria in the section headed “— 2. Who can apply” above, may apply through the **White Form eIPO** service for the Offer Shares to be allotted and registered in their own names through the designated website at www.eipo.com.hk.

Detailed instructions for application through the **White Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

Time for Submitting Applications under the White Form eIPO

You may submit your application to the **White Form eIPO** Service Provider at www.eipo.com.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Friday, 27 April 2018 until 11:30 a.m. on Thursday, 3 May 2018 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, 3 May 2018 or such later time under the section headed “— 10. Effect of Bad Weather on the Opening of the Application Lists” below.

No Multiple Applications

If you apply by means of **White Form eIPO**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **White Form eIPO** more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO** service or by any other means, all of your applications are liable to be rejected.

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Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Environmental Protection

The obvious advantage of White Form eIPO is to save the use of papers via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated White Form eIPO Service Provider, will contribute HK\$2 for each “TOP EDUCATION GROUP LTD” White Form eIPO application submitted via www.eipo.com.hk to support the funding of “Dongjiang River Source Tree Planting” project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling (852) 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited

Customer Service Center
1/F, One & Two Exchange Square, 8 Connaught Place, Central,
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Global Coordinators and our Hong Kong Share Registrar.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;
 - (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
 - confirm that you understand that our Company, our Directors, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;
 - authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send Share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
 - confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
 - confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

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- agree that none of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other party involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, receiving bank(s), the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or its respective advisors and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Hong Kong Public Offering results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for the Hong Kong Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Constitution; and

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- agree that your application, any acceptance of it and the resulting contract will be governed by the laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 10,000 Hong Kong Offer Shares. Instructions for more than 10,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Friday, 27 April 2018 — 9:00 a.m. to 8:30 p.m.⁽¹⁾
Saturday, 28 April 2018 — 8:00 a.m. to 1:00 p.m.⁽¹⁾
Monday, 30 April 2018 — 8:00 a.m. to 8:30 p.m.⁽¹⁾
Wednesday, 2 May 2018 — 8:00 a.m. to 8:30 p.m.⁽¹⁾
Thursday, 3 May 2018 — 8:00 a.m.⁽¹⁾ to 12:00 noon

Note:

- (1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

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CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 27 April 2018 until 12:00 noon on Thursday, 3 May 2018 (24 hours daily, except on the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, 3 May 2018, the last application day or such later time as described in “— 10. Effect of Bad Weather on the Opening of the Application Lists” in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving bankers, the Underwriters and any of their respective advisors and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for the Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS

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Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Thursday, 3 May 2018.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through **White Form eIPO** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

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You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **White Form eIPO** service in respect of a minimum of 10,000 Hong Kong Offer Shares. Each application or **electronic application instruction** in respect of more than 10,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at www.eipo.com.hk.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, please refer to the section headed “Structure of the Global Offering — Determining the Offer Price” in this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 3 May 2018. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, 3 May 2018 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable,” an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Thursday, 10 May 2018 on our Company’s website at www.top.edu.au and the website of the Stock Exchange at www.hkexnews.hk.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company’s website at www.top.edu.au and the Stock Exchange’s website at www.hkexnews.hk by no later than 9:00 a.m., Thursday, 10 May 2018;
- from the designated results of allocations website at www.iporesults.com.hk (alternatively: English <https://www.eipo.com.hk/en/Allotment>; Chinese <https://www.eipo.com.hk/zh-hk/Allotment>) with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Thursday, 10 May 2018 to 12:00 midnight on Wednesday, 16 May 2018;

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- by telephone inquiry line by calling (852) 2862 8669 between 9:00 a.m. and 10:00 p.m. from Thursday, 10 May 2018 to Sunday, 13 May 2018; and
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 10 May 2018 to Saturday, 12 May 2018 at all the receiving bank's designated branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. For further details, please refer to the section headed "Structure of the Global Offering" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

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(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers or the Underwriters believes that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$0.37 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with the section headed "Structure of the Global

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Offering — Conditions of the Hong Kong Public Offering” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker ‘s cashier order will not be cleared.

Any refund of your application monies will be made on or before Thursday, 10 May 2018.

14. DISPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- Share certificate(s) for all the Hong Kong Offer Shares allotted to you (for **YELLOW** Application Forms, Share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favor of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque(s), if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of Share certificates and refund monies as mentioned below, any refund cheques and Share certificates are expected to be posted on or before Thursday, 10 May 2018. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Friday, 11 May 2018 provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

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Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or Share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 10 May 2018 or such other date as notified by us on the websites of the Stock Exchange at www.hkexnews.hk and of our Company at www.top.edu.au.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation’s chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or Share certificate(s) personally within the time specified for collection, they will be dispatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or Share certificate(s) will be sent to the address on the relevant Application Form on or before Thursday, 10 May 2018, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on or before Thursday, 10 May 2018, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant’s stock account as stated in your Application Form on Thursday, 10 May 2018, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

If you apply through a designated CCASS participant (other than a CCASS Investor Participant)

For the Hong Kong Offer Shares credited to your designated CCASS participant’s stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allotted to you with that CCASS Participant.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

If you are applying as a CCASS Investor Participant

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "— 11. Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m., Thursday, 10 May 2018 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS phone system and CCASS Internet system.

(iii) If you apply through the White Form eIPO Service

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 10 May 2018, or such other date as notified by our Company on the websites of the Stock Exchange at www.hkexnews.hk and of our Company at www.top.edu.au as the date of dispatch/collection of Share certificates/e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Thursday, 10 May 2018 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be dispatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be dispatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via electronic application instructions to HKSCC

Allocation of the Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Deposit of Share certificates into CCASS and refund of application monies

- If your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 10 May 2018, or, on any other date determined by HKSCC or HKSCC Nominees.
- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in “— 11. Publication of Results” above on Thursday, 10 May 2018. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 10 May 2018 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS phone system and the CCASS Internet system (under the procedures contained in HKSCC's “An Operating Guide for Investor Participants” in effect from time to time) on Thursday, 10 May 2018. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 10 May 2018.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, our Shares and we comply with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling our Shares to be admitted into CCASS.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Company's Reporting Accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

The Directors
Top Education Group Ltd

and
China Galaxy International Securities (Hong Kong) Co., Ltd.

Dear Sirs,

We report on the historical financial information of Top Education Group Ltd (the "Company") set out on pages I-3 to I-36, which comprises the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for each of the years ended 30 June 2015, 2016 and 2017, and the four months ended 31 October 2017 (the "Relevant Periods"), and the statements of financial position of the Company as at 30 June 2015, 2016 and 2017, and 31 October 2017, and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-36 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 27 April 2018 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Company as at 30 June 2015, 2016 and 2017 and 31 October 2017 and of the financial performance and cash flows of the Company for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Company which comprises the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the four months ended 31 October 2016 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**Adjustments**

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 15 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Yours faithfully,

Ernst & Young

Certified Public Accountants

Hong Kong

27 April 2018

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Company for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young, Australia in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("IAASB") (the "Underlying Financial Statements").

The Historical Financial Information is presented in Australian dollars ("AUD") and all values are rounded to the nearest thousand (AUD\$'000) except when otherwise indicated.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 30 June			Four months ended 31 October	
		2015	2016	2017	2016	2017
		AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000 (Unaudited)	AUD\$'000
REVENUE	5	17,114	17,408	21,138	7,484	8,994
Cost of sales	6	(7,712)	(8,055)	(9,977)	(3,151)	(3,780)
Gross profit		9,402	9,353	11,161	4,333	5,214
Other income	7	426	417	315	94	118
Administrative expenses	8	(1,762)	(3,591)	(3,448)	(1,017)	(3,357)
Advertising and marketing expenses	9	(635)	(1,161)	(1,199)	(408)	(365)
Other operating expenses		(98)	(61)	(60)	(8)	—
PROFIT BEFORE TAX		7,333	4,957	6,769	2,994	1,610
Income tax expense	13	(2,572)	(1,515)	(2,167)	(901)	(513)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD . . .		<u>4,761</u>	<u>3,442</u>	<u>4,602</u>	<u>2,093</u>	<u>1,097</u>
Attributable to:						
Owners of the Company		<u>4,761</u>	<u>3,442</u>	<u>4,602</u>	<u>2,093</u>	<u>1,097</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Basic earnings per share (AUD\$ cent)	14	<u>0.3174</u>	<u>0.2260</u>	<u>0.2576</u>	<u>0.1186</u>	<u>0.0582</u>
Diluted earnings per share (AUD\$ cent)	14	<u>0.3174</u>	<u>0.2260</u>	<u>0.2565</u>	<u>0.1186</u>	<u>0.0547</u>

STATEMENTS OF FINANCIAL POSITION

	Notes	As at 30 June			As at
		2015	2016	2017	31 October
		AUD\$'000	AUD\$'000	AUD\$'000	2017
NON-CURRENT ASSETS					
Property, plant and equipment	16	342	657	750	709
Intangible assets	17	1,964	2,877	3,624	3,737
Prepayments and deposits	20	203	2,603	1,903	1,905
Deferred tax assets	18	42	50	202	830
Total non-current assets		<u>2,551</u>	<u>6,187</u>	<u>6,479</u>	<u>7,181</u>
CURRENT ASSETS					
Trade receivables	19	—	—	58	33
Prepayments and other receivables	20	519	867	1,389	2,027
Tax recoverable		—	17	—	—
Cash and cash equivalents	21	16,898	17,956	16,100	16,157
Total current assets		<u>17,417</u>	<u>18,840</u>	<u>17,547</u>	<u>18,217</u>
CURRENT LIABILITIES					
Trade payables	22	955	981	1,127	1,189
Other payables and accruals	23	1,041	2,355	2,335	2,450
Dividend payable		—	8,889	—	—
Deferred income	24	1,497	2,146	2,348	2,060
Tax payable		810	—	533	585
Total current liabilities		<u>4,303</u>	<u>14,371</u>	<u>6,343</u>	<u>6,284</u>
NET CURRENT ASSETS		<u>13,114</u>	<u>4,469</u>	<u>11,204</u>	<u>11,933</u>
TOTAL ASSETS LESS CURRENT					
LIABILITIES		<u>15,665</u>	<u>10,656</u>	<u>17,683</u>	<u>19,114</u>
NON-CURRENT LIABILITIES					
Other payables and accruals	23	55	157	151	181
Total non-current liabilities		<u>55</u>	<u>157</u>	<u>151</u>	<u>181</u>
Net assets		<u>15,610</u>	<u>10,499</u>	<u>17,532</u>	<u>18,933</u>
EQUITY					
Issued capital	25	750	6,086	8,480	8,480
Reserves		14,860	4,413	9,052	10,453
Total equity		<u>15,610</u>	<u>10,499</u>	<u>17,532</u>	<u>18,933</u>

STATEMENTS OF CHANGES IN EQUITY

	<i>Notes</i>	Issued capital	Share-based payment reserve	Retained profits	Total equity
		AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
At 1 July 2014		750	—	10,099	10,849
Profit and total comprehensive income for the year		—	—	4,761	4,761
At 30 June 2015 and 1 July 2015 . .		750	—	14,860	15,610
Profit and total comprehensive income for the year		—	—	3,442	3,442
Dividends declared	15	—	—	(13,889)	(13,889)
Issue of shares	25	5,500	—	—	5,500
Share issue expenses	25	(164)	—	—	(164)
At 30 June 2016 and 1 July 2016 . .		6,086	—	4,413	10,499
Profit and total comprehensive income for the year		—	—	4,602	4,602
Issue of shares	25	2,500	—	—	2,500
Share issue expenses	25	(106)	—	—	(106)
Equity-settled performance rights arrangements	26	—	37	—	37
At 30 June 2017 and 1 July 2017 . .		8,480	37	9,015	17,532
Profit and total comprehensive income for the period		—	—	1,097	1,097
Equity-settled performance rights arrangements	26	—	304	—	304
At 31 October 2017		<u>8,480</u>	<u>341</u>	<u>10,112</u>	<u>18,933</u>
At 1 July 2016		6,086	—	4,413	10,499
Profit and total comprehensive income for the period (unaudited) .		—	—	2,093	2,093
At 31 October 2016 (unaudited) . . .		<u>6,086</u>	<u>—</u>	<u>6,506</u>	<u>12,592</u>

STATEMENTS OF CASH FLOWS

	<i>Notes</i>	Year ended 30 June			Four months ended 31 October	
		2015	2016	2017	2016	2017
		AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		7,333	4,957	6,769	2,994	1,610
Adjustments for:						
Interest income	7	(289)	(296)	(165)	(54)	(83)
Equity-settled performance rights expense	26	—	—	37	—	215
Depreciation of property, plant and equipment	16	136	217	253	84	75
Amortisation of intangible assets . . .	17	425	421	589	196	247
		<u>7,605</u>	<u>5,299</u>	<u>7,483</u>	<u>3,220</u>	<u>2,064</u>
(Increase)/decrease in trade receivables		—	—	(58)	—	25
(Increase)/decrease in prepayments, deposits and other receivables		(395)	252	178	(64)	(640)
Increase in trade payables		402	26	146	110	62
(Decrease)/increase in other payables and accruals		(7)	1,416	(26)	(1,107)	145
(Decrease)/increase in deferred income		<u>(1,535)</u>	<u>649</u>	<u>202</u>	<u>(144)</u>	<u>(288)</u>
Cash generated from operations		6,070	7,642	7,925	2,015	1,368
Interest received		289	296	165	54	83
Income tax paid		<u>(2,447)</u>	<u>(2,350)</u>	<u>(1,769)</u>	<u>(1,660)</u>	<u>(1,000)</u>
Net cash flows from operating activities		<u>3,912</u>	<u>5,588</u>	<u>6,321</u>	<u>409</u>	<u>451</u>

	<i>Notes</i>	Year ended 30 June			Four months ended 31 October	
		2015	2016	2017	2016	2017
		AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(104)	(532)	(346)	(256)	(34)
Additions to intangible assets		(876)	(1,334)	(1,336)	(476)	(360)
Net cash flows used in investing activities		(980)	(1,866)	(1,682)	(732)	(394)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from issue of shares	25	—	2,500	2,500	—	—
Share issue expenses	25	—	(164)	(106)	—	—
Dividends paid		—	(5,000)	(8,889)	(8,889)	—
Net cash flows used in financing activities		—	(2,664)	(6,495)	(8,889)	—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS						
		2,932	1,058	(1,856)	(9,212)	57
Cash and cash equivalents at beginning of year/period		13,966	16,898	17,956	17,956	16,100
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	21	<u>16,898</u>	<u>17,956</u>	<u>16,100</u>	<u>8,744</u>	<u>16,157</u>

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Top Education Group Ltd is a limited liability company, incorporated on 2 October 2001 and domiciled in Australia. The registered office of the Company is located at Suite 1, Biomedical Building, 1 Central Avenue, Australian Technology Park, Eveleigh, New South Wales 2015, Sydney, Australia.

The Company is principally engaged in providing private higher education services in Australia. The Company has no subsidiaries since its incorporation.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the IASB. All IFRSs effective for the accounting period commencing from 1 July 2017, together with the relevant transitional provisions, have been adopted by the Company in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention.

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in the Historical Financial Information:

IFRS 9	<i>Financial Instruments</i> ¹
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> ²
IFRS 15	<i>Revenue from Contracts with Customers</i> ¹
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
IFRS 16	<i>Leases</i> ²
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> ¹
Amendments to IAS 40	<i>Transfers of Investment Property</i> ¹
IFRIC Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
IFRS 17	<i>Insurance Contracts</i> ³
IFRIC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i> ²
Amendments to IFRS 3 and IFRS 11 included in <i>Annual Improvements 2015–2017 Cycle</i>	<i>Previously Held Interests in a Joint Operation</i> ²
Amendments to IFRS 1 included in <i>Annual Improvements 2014–2016 Cycle</i>	<i>First-time Adoption of International Financial Reporting Standards</i> ¹
Amendments to IAS 12 included in <i>Annual Improvements 2015–2017 Cycle</i>	<i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity</i> ²
Amendments to IAS 23 included in <i>Annual Improvements 2015–2017 Cycle</i>	<i>Borrowing Costs Eligible for Capitalisation</i> ²
Amendments to IAS 28 included in <i>Annual Improvements 2014–2016 Cycle</i>	<i>Investments in Associates or Joint Ventures</i> ¹
Amendments to IAS 28	<i>Long Term Interests in Associates and Joint Ventures</i> ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after 1 January 2021

⁴ No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Company is described below. Of those standards, IFRS 9 and IFRS 15 will be applicable for the Company's financial year ending 30 June 2019 and are not expected to have a significant impact upon adoption. Whilst management has performed assessments of the estimated impacts of these standards, the assessments are based on the information currently available to the Company, including expectations of the application of transitional provision options and policy choices. The actual impacts upon adoption could be different to those below, depending on additional reasonable and supportable information being made available to the Company at the time of applying the standards and the transitional provisions and policy options finally adopted.

IFRS 9 *Financial Instruments*

In July 2014, the *International Accounting Standards Board* ("IASB") issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Company will adopt IFRS 9 from 1 July 2018. The Company will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 July 2018. The Company has performed an assessment of the impact of the adoption of IFRS 9. The expected impacts relate to the impairment requirements and are summarised as follows:

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Company will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Company will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The Company has determined that the initial adoption of the standard will not have any significant impact on the Company's provision for impairment of its trade receivables.

IFRS 15 and Clarifications to IFRS 15 *Revenue from Contracts with Customers*

IFRS 15, issued in May 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Company plans to adopt the transitional provisions in IFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 July 2018. In addition, the Company plans to apply the new requirements only to contracts that are not completed before 1 July 2018. The Company expects that the transitional adjustment to be made on 1 July 2018 upon initial adoption of IFRS 15 will not be material. The expected changes in accounting policies, as further explained below, will not have a material impact on the Company's financial statements from 1 July 2018 onwards.

The Company has performed an assessment of the impact of the adoption of IFRS 15 on the Company. Based on the preliminary assessment, the Company anticipated the adoption of IFRS 15 in the future is unlikely to have a significant impact on the recognition of service income from the provision of education related services. However, there will be additional disclosures upon the adoption of IFRS 15.

IFRS 16 *Leases*

IFRS 16, issued in January 2016, replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases — Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-

of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Company expects to adopt IFRS 16 from 1 July 2019. The Company is currently assessing the impact of IFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 27 to the financial statements, at 31 October 2017, the Company had future minimum lease payments under non-cancellable operating leases in aggregate of approximately AUD\$3,682,000. The directors do not expect the adoption of IFRS 16 as compared with the current policy would result in a significant impact on the Company's financial position and performance, but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statements of the financial position as right-of-use assets and lease liabilities.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value measurement

Fair value is the price that would be received for its services provided or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Company if:

- (a) the party is a person or a close member of that close person's family and that person
 - (i) has control or joint control of the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Company are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Company are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Teachers reference books	14.3% – 33.3%
Plant and equipment	20% – 25%
Classroom and office equipment	25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year/period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Expenditure incurred on projects to develop new courses is capitalised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Course development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying course not exceeding seven years, commencing from the date when the courses are implemented.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Company is the lessor, assets leased by the Company under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

*Investments and other financial assets***Initial recognition and measurement**

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement of loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included profit or loss. The loss arising from impairment is recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether

significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and dividend payables.

Subsequent measurement of loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified the chief executive officer ("CEO") and the Board of Directors as being the chief operating decision makers.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the country in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company, the revenue can be measured reliably, the price is fixed and determinable and when services are rendered.

Tuition fees are generally received in advance prior to the beginning of each semester, and are initially recorded as deferred revenue. Tuition fees are recognised proportionately over the relevant period of the applicable course. The portion of tuition fee payments received from students but not earned is recorded as deferred revenue and is reflected as a current liability as such amounts represent revenue that the Company expects to earn within one year.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Share-based payments

The Company operates performance rights schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The unhurdled fair value of the performance rights is calculated as the value of the ordinary shares in the Company less the present value of the projected dividends over the expected term of the performance rights, further details of the Company's performance rights schemes are given in note 26.

The cost of equity-settled transactions for employees is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Company or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding performance rights is reflected as additional share dilution in the computation of earnings per share.

Employee benefits

(i) Pension schemes

Contributions to defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(ii) Obligations to employees

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statements of financial position as the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

The leave obligations cover the Company's liability for long service leave and annual leave.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in Australian dollars, which is the Company's functional currency. Foreign currency transactions recorded by the Company are initially recorded using functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statements of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at the end of each of the Relevant Periods. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the temporary difference can be reversed. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Intangible assets

Intangible assets are capitalised in accordance with the accounting policy for intangible assets in note 2.3 "Intangible assets". Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected periods of benefits.

Useful lives of deferred development costs

The Company's management determines the estimated useful lives of its deferred development costs for the calculation of the amortisation of deferred development costs. This estimate is determined after considering the expected period in which economic benefits can be generated from the development courses/programs to which the deferred development costs related. Management reviews the estimated useful lives on an annual basis and future amortisation charges are adjusted where management believes the useful lives differ from previous estimates. Further details are given in note 2.3 "Intangible assets".

4. OPERATING SEGMENT INFORMATION

The Company has identified the CEO and the Board of Directors as the chief operating decision makers. The Company has only one reporting segment being the provision of private higher education services in Australia.

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

The CEO and the Board of Directors as the chief operating decision makers examine the Company's performance primarily using the student numbers and course fees earned.

No services provided to a single customer contributes 10% or more of the total revenue of the Company during the Relevant Periods.

5. REVENUE

Revenue represents the value of services rendered, after deducting refunds, during the Relevant Periods.

An analysis of revenue is as follows:

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Course fee income	17,114	17,408	21,138	7,484	8,994

6. COST OF SALES

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Agent commissions	3,591	3,442	4,005	1,350	1,637
Employee benefit expenses (<i>note 10</i>)	2,224	2,889	3,690	1,035	1,235
Office expenses	229	333	353	152	171
Minimum lease payments under operating leases . . .	516	542	636	198	221
Depreciation of property, plant and equipment	103	165	220	73	61
Amortisation of intangible assets	425	421	589	196	247
Consultation and service fees	142	108	298	73	139
Student costs	482	155	186	74	69
	7,712	8,055	9,977	3,151	3,780

The Company incurred research expenses of AUD\$5,840, AUD\$24,787, AUD\$19,451 and AUD\$2,714 for the years ended 2015, 2016, 2017 and the four months ended October 2017 respectively.

7. OTHER INCOME

An analysis of other income is as follows:

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Interest income	289	296	165	54	83
Other income	137	121	150	40	35
	426	417	315	94	118

Other income included training income, textbook and material fees and commission income earned for referring students to other educational institutes and student health insurance providers.

8. ADMINISTRATIVE EXPENSES

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
				(Unaudited)	
Employee benefit expenses (<i>note 10</i>)	1,072	2,840	1,514	673	668
Listing expenses	—	—	948	78	1,987
Share-based payment (<i>note 10</i>)	—	—	37	—	215
Minimum lease payments under operating leases . . .	272	285	368	116	130
Office expenses	179	196	276	62	98
Auditors' remuneration	88	52	70	12	47
Depreciation of property, plant and equipment	33	52	33	11	14
Others	118	166	202	65	198
	<u>1,762</u>	<u>3,591</u>	<u>3,448</u>	<u>1,017</u>	<u>3,357</u>

9. ADVERTISING AND MARKETING EXPENSES

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
				(Unaudited)	
Employee benefit expenses (<i>note 10</i>)	209	372	434	118	150
Advertising and business promotion expenses	228	644	562	243	160
Travelling expenses	198	145	203	47	55
	<u>635</u>	<u>1,161</u>	<u>1,199</u>	<u>408</u>	<u>365</u>

10. EMPLOYEE BENEFIT EXPENSES

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
				(Unaudited)	
Wages, salaries and other employee benefits	3,509	6,366	5,692	1,867	2,061
Share-based payments (<i>note 26</i>)	—	—	37	—	215
Pension schemes contribution					
— Defined contribution scheme	281	416	527	152	169
Less: amount capitalised	(285)	(681)	(581)	(193)	(140)
	<u>3,505</u>	<u>6,101</u>	<u>5,675</u>	<u>1,826</u>	<u>2,305</u>

11. DIRECTORS' REMUNERATION

The Company did not have any executive directors, non-executive directors and independent non-executive directors during the Relevant Periods. Thomas Richard Seymour, Jing Li, Chaohui Liu and Sumeng Cao were appointed as directors of the Company on 27 May 2016, 29 July 2016 and 30 August 2016 and 27 October 2017, respectively. Kai Zhang was appointed as an alternative director for Thomas Richard Seymour on 27 May 2016.

The remuneration of the CEO and each of these directors as recorded in the Historical Financial Information is set out below:

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Directors' fee	60	56	96	29	31
<i>Other emoluments:</i>					
Salaries	200	220	220	74	76
Share-based payment	—	—	37	—	215
Performance related bonus	—	1,269	—	—	—
Pension scheme contributions	19	68	102	9	9
	<u>219</u>	<u>1,557</u>	<u>359</u>	<u>83</u>	<u>300</u>
	<u>279</u>	<u>1,613</u>	<u>455</u>	<u>112</u>	<u>331</u>

During the year ended 30 June 2017, the CEO was granted performance rights, in respect of the services to the Company, under the performance rights scheme of the Company, further details of which are set out in note 26. The fair value of such performance rights, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the Historical Financial Information in the above directors' and the CEO's remuneration disclosures.

The remuneration of each of the directors and the CEO of the Company for the Relevant Periods is set out below:

	Directors' fees	Salaries	Share-based payment	Performance related bonus	Pension scheme contributions	Total
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Year ended 30 June 2015						
Dr. Minshen Zhu, <i>CEO</i>	—	200	—	—	19	219
Amen Kwai Ping Lee	20	—	—	—	—	20
Keith Kyoichi Ogata ^(a)	20	—	—	—	—	20
Qingquan Yang ^(b)	20	—	—	—	—	20
	<u>60</u>	<u>200</u>	<u>—</u>	<u>—</u>	<u>19</u>	<u>279</u>
Year ended 30 June 2016						
Dr. Minshen Zhu, <i>CEO</i>	—	220	—	1,269	64	1,553
Amen Kwai Ping Lee	18	—	—	—	2	20
Keith Kyoichi Ogata ^(a)	20	—	—	—	—	20
Qingquan Yang ^(b)	18	—	—	—	2	20
	<u>56</u>	<u>220</u>	<u>—</u>	<u>1,269</u>	<u>68</u>	<u>1,613</u>
Year ended 30 June 2017						
Dr. Minshen Zhu, <i>CEO</i>	—	220	37	—	98	355
Amen Kwai Ping Lee	18	—	—	—	2	20
Keith Kyoichi Ogata ^(a)	20	—	—	—	—	20
Qingquan Yang ^(b)	18	—	—	—	2	20
Jing Li	20	—	—	—	—	20
Chaohui Liu ^(a)	20	—	—	—	—	20
	<u>96</u>	<u>220</u>	<u>37</u>	<u>—</u>	<u>102</u>	<u>455</u>
Four months ended 31 October 2016 (Unaudited)						
Dr. Minshen Zhu, <i>CEO</i>	—	74	—	—	7	81
Amen Kwai Ping Lee	6	—	—	—	1	7
Keith Kyoichi Ogata ^(a)	7	—	—	—	—	7
Qingquan Yang ^(b)	6	—	—	—	1	7
Jing Li	6	—	—	—	—	6
Chaohui Liu ^(a)	4	—	—	—	—	4
	<u>29</u>	<u>74</u>	<u>—</u>	<u>—</u>	<u>9</u>	<u>112</u>
Four months ended 31 October 2017						
Dr. Minshen Zhu, <i>CEO</i>	—	76	215	—	7	298
Amen Kwai Ping Lee	6	—	—	—	1	7
Keith Kyoichi Ogata ^(a)	6	—	—	—	—	6
Qingquan Yang ^(b)	6	—	—	—	1	7
Jing Li	7	—	—	—	—	7
Chaohui Liu ^(a)	6	—	—	—	—	6
	<u>31</u>	<u>76</u>	<u>215</u>	<u>—</u>	<u>9</u>	<u>331</u>

(a) Resigned on 26 October 2017

(b) Resigned on 27 October 2017

There was no arrangement under which directors or the CEO waived or agreed to waive any remuneration during the Relevant Periods.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included the CEO, details of whose remuneration are set out in note 11 above. Details of the remuneration for the Relevant Periods of the remaining four highest paid employees who are neither directors nor the CEO of the Company are as follows:

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
				(Unaudited)	
Salaries	526	878	975	343	352
Performance related bonus	144	64	63	—	—
Pension scheme contributions	58	70	79	26	26
	<u>728</u>	<u>1,012</u>	<u>1,117</u>	<u>369</u>	<u>378</u>
	Number of employees				
	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
				(Unaudited)	
Nil to AUD\$161,000 (HK\$1,000,000)	2	—	—	4	4
AUD\$161,001 (HK\$1,000,001) to AUD\$242,000 (HK\$1,500,000)	2	3	1	—	—
AUD\$242,001 (HK\$1,500,001) to AUD\$323,000 (HK\$2,000,000)	—	1	3	—	—
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

During the Relevant Periods, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Company to any of the five highest paid employees as an inducement to join or upon joining the Company or as compensation for loss of office.

13. INCOME TAX

The Company is subject to income tax on profits arising in or derived from the jurisdiction in which the Company is domiciled and operates. Profits tax has been provided at the Company's statutory tax rate of 30% for the years ended 30 June 2015, 2016, 2017 and the four months ended 31 October 2017 on the estimated assessable profits.

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

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
				(Unaudited)	
<i>Current tax</i>					
Provision for the year/period	2,247	1,555	2,273	846	1,052
Underprovision/(overprovision) for current tax of prior periods	278	(32)	—	—	—
Deferred tax (<i>note 18</i>)	47	(8)	(106)	55	(539)
Tax charge for the year/period	<u>2,572</u>	<u>1,515</u>	<u>2,167</u>	<u>901</u>	<u>513</u>

A reconciliation of the tax expense applicable to profit before tax using the Company's statutory rate to the tax charge at the Company's effective tax rate is as follows:

	Year ended 30 June						Four months ended 31 October			
	2015		2016		2017		2016		2017	
	AUD\$'000	%	AUD\$'000	%	AUD\$'000	%	AUD\$'000	%	AUD\$'000	%
Profit before tax	<u>7,333</u>		<u>4,957</u>		<u>6,769</u>		<u>2,994</u>		<u>1,610</u>	
Tax at the Company's										
statutory tax rate of 30%	2,200	30.0	1,487	30.0	2,031	30.0	898	30.0	483	30.0
Expenses not deductible										
for tax	14	0.2	18	0.4	137	2.0	3	0.1	42	2.6
Adjustments for current tax										
of prior periods	278	3.8	(32)	(0.6)	—	—	—	—	—	—
Others	<u>80</u>	1.1	<u>42</u>	0.8	<u>(1)</u>	—	<u>—</u>	—	<u>(12)</u>	(0.7)
Tax charge at effective rate	<u>2,572</u>	35.1	<u>1,515</u>	30.6	<u>2,167</u>	32.0	<u>901</u>	30.1	<u>513</u>	31.9

14. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year/period attributable to owners of the Company and the weighted average number of ordinary shares and Class A shares in issue during the Relevant Periods.

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

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

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Earnings					
Profit attributable to owners of the Company	<u>4,761</u>	<u>3,442</u>	<u>4,602</u>	<u>2,093</u>	<u>1,097</u>

	Year ended 30 June				Four months ended 31 October		
	2015	2016	2017	Class A	2016	2017	Class A
	Ordinary shares	Ordinary shares	Ordinary shares	shares	Ordinary shares	Ordinary shares	shares
	'000	'000	'000	'000	'000	'000	'000
Shares							
Weighted average number of shares in issue during the Relevant Periods used in the basic earnings per share calculation	1,500,012	1,523,156	1,764,720	22,024	1,764,720	1,764,720	120,308
Effect of dilution — weighted average number of shares:							
Performance rights	—	—	7,561	—	—	120,320	—
	<u>1,500,012</u>	<u>1,523,156</u>	<u>1,772,281</u>	<u>22,024</u>	<u>1,764,720</u>	<u>1,885,040</u>	<u>120,308</u>

On 24 April 2018, the Company effected a share split pursuant to which each share was subdivided and designated as 2,000 fully paid shares in the capital of the Company. Immediately after the share split, the issued share capital of the Company became 1,885,028,000 Shares. The weighted average number of shares in issue during the Relevant Periods used in the basic and dilutive earnings per share calculation have been adjusted retroactively to consider the impact of the share split on 24 April 2018.

15. DIVIDENDS

	Year ended 30 June			Four months ended 31 October	
	2015	2016	2017	2016	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Final — AUD\$18.5 per ordinary share	—	13,889	—	—	—

16. PROPERTY, PLANT AND EQUIPMENT

	Teachers reference books	Plant and equipment	Classroom and office equipment	Total
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
30 June 2015				
At 1 July 2014:				
Cost	121	589	243	953
Accumulated depreciation	(62)	(356)	(161)	(579)
Net carrying amount	59	233	82	374
At 1 July 2014, net of accumulated depreciation				
Additions	19	66	19	104
Depreciation provided during the year	(17)	(95)	(24)	(136)
At 30 June 2015, net of accumulated depreciation	61	204	77	342
At 30 June 2015:				
Cost	140	655	262	1,057
Accumulated depreciation	(79)	(451)	(185)	(715)
Net carrying amount	61	204	77	342
30 June 2016				
At 30 June 2015 and 1 July 2015:				
Cost	140	655	262	1,057
Accumulated depreciation	(79)	(451)	(185)	(715)
Net carrying amount	61	204	77	342
At 30 June 2015 and 1 July 2015, net of accumulated				
depreciation	61	204	77	342
Additions	41	400	91	532
Depreciation provided during the year	(18)	(157)	(42)	(217)
At 30 June 2016, net of accumulated depreciation	84	447	126	657
At 30 June 2016:				
Cost	181	1,055	353	1,589
Accumulated depreciation	(97)	(608)	(227)	(932)
Net carrying amount	84	447	126	657

	Teachers reference books	Plant and equipment	Classroom and office equipment	Total
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
30 June 2017				
At 30 June 2016 and 1 July 2016:				
Cost	181	1,055	353	1,589
Accumulated depreciation	(97)	(608)	(227)	(932)
Net carrying amount	<u>84</u>	<u>447</u>	<u>126</u>	<u>657</u>
At 30 June 2016 and 1 July 2016, net of accumulated				
depreciation	84	447	126	657
Additions	40	122	184	346
Depreciation provided during the year	(27)	(164)	(62)	(253)
At 30 June 2017, net of accumulated depreciation	<u>97</u>	<u>405</u>	<u>248</u>	<u>750</u>
At 30 June 2017:				
Cost	221	1,177	537	1,935
Accumulated depreciation	(124)	(772)	(289)	(1,185)
Net carrying amount	<u>97</u>	<u>405</u>	<u>248</u>	<u>750</u>
31 October 2017				
At 30 June 2017 and 1 July 2017:				
Cost	221	1,177	537	1,935
Accumulated depreciation	(124)	(772)	(289)	(1,185)
Net carrying amount	<u>97</u>	<u>405</u>	<u>248</u>	<u>750</u>
At 30 June 2017 and 1 July 2017, net of accumulated				
depreciation	97	405	248	750
Additions	10	17	7	34
Depreciation provided during the period	(8)	(45)	(22)	(75)
At 31 October 2017, net of accumulated depreciation	<u>99</u>	<u>377</u>	<u>233</u>	<u>709</u>
At 31 October 2017:				
Cost	231	1,194	544	1,969
Accumulated depreciation	(132)	(817)	(311)	(1,260)
Net carrying amount	<u>99</u>	<u>377</u>	<u>233</u>	<u>709</u>

17. INTANGIBLE ASSETS

	Registration and other development expenditure	Course development expenditure	Total
	AUD\$'000	AUD\$'000	AUD\$'000
30 June 2015			
At 1 July 2014:			
Cost	1,082	1,881	2,963
Accumulated amortisation	(865)	(585)	(1,450)
Net carrying amount	<u>217</u>	<u>1,296</u>	<u>1,513</u>
Cost as at 1 July 2014, net of accumulated amortisation	217	1,296	1,513
Additions	475	401	876
Amortisation provided during the year	(52)	(373)	(425)
At 30 June 2015, net of accumulated amortisation	<u>640</u>	<u>1,324</u>	<u>1,964</u>
At 30 June 2015:			
Cost	1,557	2,282	3,839
Accumulated amortisation	(917)	(958)	(1,875)
Net carrying amount	<u>640</u>	<u>1,324</u>	<u>1,964</u>
30 June 2016			
At 30 June 2015 and 1 July 2015:			
Cost	1,557	2,282	3,839
Accumulated amortisation	(917)	(958)	(1,875)
Net carrying amount	<u>640</u>	<u>1,324</u>	<u>1,964</u>
Cost as at 1 July 2015, net of accumulated amortisation	640	1,324	1,964
Additions	55	1,279	1,334
Amortisation	(110)	(311)	(421)
At 30 June 2016, net of accumulated amortisation	<u>585</u>	<u>2,292</u>	<u>2,877</u>
At 30 June 2016:			
Cost	1,612	3,561	5,173
Accumulated amortisation	(1,027)	(1,269)	(2,296)
Net carrying amount	<u>585</u>	<u>2,292</u>	<u>2,877</u>
30 June 2017			
At 30 June and 1 July 2016:			
Cost	1,612	3,561	5,173
Accumulated amortisation	(1,027)	(1,269)	(2,296)
Net carrying amount	<u>585</u>	<u>2,292</u>	<u>2,877</u>

	Registration and other development expenditure	Course development expenditure	Total
	AUD\$'000	AUD\$'000	AUD\$'000
Cost as at 1 July 2016, net of accumulated amortisation	585	2,292	2,877
Additions	187	1,149	1,336
Amortisation	(105)	(484)	(589)
At 30 June 2017, net of accumulated amortisation	<u>667</u>	<u>2,957</u>	<u>3,624</u>
At 30 June 2017:			
Cost	1,799	4,710	6,509
Accumulated amortisation	(1,132)	(1,753)	(2,885)
Net carrying amount	<u>667</u>	<u>2,957</u>	<u>3,624</u>
31 October 2017			
At 30 June and 1 July 2017:			
Cost	1,799	4,710	6,509
Accumulated amortisation	(1,132)	(1,753)	(2,885)
Net carrying amount	<u>667</u>	<u>2,957</u>	<u>3,624</u>
Cost as at 1 July 2017, net of accumulated amortisation	667	2,957	3,624
Additions	—	360	360
Amortisation	(43)	(204)	(247)
At 31 October 2017, net of accumulated amortisation	<u>624</u>	<u>3,113</u>	<u>3,737</u>
At 31 October 2017:			
Cost	1,799	5,070	6,869
Accumulated amortisation	(1,175)	(1,957)	(3,132)
Net carrying amount	<u>624</u>	<u>3,113</u>	<u>3,737</u>

The Company amortises intangible assets with a limited useful life using the straight-line method of 7 years for course development expenditure and registration and other development expenditure for the years ended 30 June 2015, 2016, 2017 and the four months ended 31 October 2017.

18. DEFERRED TAX

The movements of the Company's deferred tax assets/liabilities during the Relevant Periods are as follows:

(i) *Deferred tax assets*

	Share-based payments	Employee benefits	Accruals	Property, plant and equipment	Others	Total
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000	
At 1 July 2014	—	72	41	—	—	113
Credited to profit or loss	—	110	4	—	—	114
At 30 June 2015 and 1 July 2015	—	182	45	—	—	227
Credited/(charged) to profit or loss	—	66	(1)	57	51	173
At 30 June 2016 and 1 July 2016	—	248	44	57	51	400
Credited/(charged) to profit or loss	—	74	90	(45)	201	320
Equity	—	—	—	—	46	46
At 30 June 2017 and 1 July 2017	—	322	134	12	298	766
Credited/(charged) to profit or loss	76	69	(53)	(12)	530	610
Equity	89	—	—	—	—	89
At 31 October 2017	165	391	81	—	828	1,465

(ii) *Deferred tax liabilities*

	Intangible assets	Prepayments	Total
	AUD\$'000	AUD\$'000	AUD\$'000
At 1 July 2014	—	24	24
Charged to profit or loss	135	26	161
At 30 June 2015 and 1 July 2015	135	50	185
Charged/(credited) to profit or loss	197	(32)	165
At 30 June 2016 and 1 July 2016	332	18	350
Charged/(credited) to profit or loss	232	(18)	214
At 30 June 2017 and 1 July 2017	564	—	564
Charged to profit or loss	71	—	71
At 31 October 2017	635	—	635

Reflected in the statements of financial position as follows:

	As at 30 June			As at 31 October 2017
	2015	2016	2017	
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Deferred tax assets	227	400	766	1,465
Deferred tax liabilities	(185)	(350)	(564)	(635)
Deferred tax assets, net	42	50	202	830

19. TRADE RECEIVABLES

	As at 30 June			As at
	2015	2016	2017	31 October 2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Trade receivables	—	—	58	33

The Company's students are required to pay tuition fees in advance for the upcoming semester. The outstanding receivables represents amounts related to training fees. The Company seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and that the Company's trade receivables relate to a large number of students, there is no significant concentration of credit risk. The Company does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the Relevant Periods based on the invoice date is as follows:

	As at 30 June			As at
	2015	2016	2017	31 October 2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Within 1 month	—	—	—	33
1 to 3 months	—	—	58	—

There have been no impairment losses recognised during the Relevant Periods.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	As at 30 June			As at
	2015	2016	2017	31 October 2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Neither past due nor impaired	—	—	58	33

Receivables of the Company that were neither past due nor impaired relate to students for whom there was no recent history of default.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June			As at
	2015	2016	2017	31 October 2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Non-current assets				
Prepayments	—	2,400	1,700	1,702
Lease deposits	203	203	203	203
	203	2,603	1,903	1,905
Current assets				
Prepayments	165	662	1,192	1,673
Other receivables	354	205	197	354
	519	867	1,389	2,027

The receivable amounts are interest-free and are not secured with collateral.

The balance of current and non-current prepayments primarily relates to the future service allowance provided by PwC Australia. Further details are included in note 25 (iii).

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

21. CASH AND CASH EQUIVALENTS

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
				AUD\$'000
Cash and bank balances	14,431	15,425	13,514	13,554
Time deposits	2,467	2,531	2,586	2,603
	<u>16,898</u>	<u>17,956</u>	<u>16,100</u>	<u>16,157</u>

Cash and bank balances earn interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one month and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
				AUD\$'000
Agent commissions payable	955	981	1,127	1,189

An aged analysis of the trade payables as at the end of the Relevant Periods, based on the payment due date, is as follows:

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
				AUD\$'000
Over two months	955	981	1,127	1,189

23. OTHER PAYABLES AND ACCRUALS

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
				AUD\$'000
Current liabilities				
Other payables	491	1,619	1,331	1,329
Unpaid leave obligations	550	736	1,004	1,121
Other payables and accruals	1,041	2,355	2,335	2,450
Non-current liabilities				
Unpaid leave obligations	55	91	69	98
Accruals for reinstatement cost	—	66	82	83
Other payables and accruals	55	157	151	181

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

24. DEFERRED INCOME

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
Deferred income	1,497	2,146	2,348	2,060

Deferred income represents the amount paid by students at the end of each of the Relevant Periods that relates to the future service provision.

25. ISSUED CAPITAL

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
Authorised, issued and fully paid				
Ordinary shares				
30 June 2015: 750,006				
30 June 2016: 882,360				
30 June 2017: 882,360				
31 October 2017: 882,360				
Ordinary shares — fully paid	750	6,250	6,086	6,086
Class A shares				
30 June 2015: nil				
30 June 2016: nil				
30 June 2017: 60,154				
31 October 2017: 60,154				
Class A shares — fully paid	—	—	2,500	2,394
<i>Less: Share issue expenses</i>				
Related to Ordinary shares	—	(164)	—	—
Related to Class A shares	—	—	(106)	—
	750	6,086	8,480	8,480

A summary of movements in the Company's issued capital is as follows:

	Number of ordinary shares in issue <i>Note (i)</i>	Number of Class A shares <i>Note (ii)</i>	Total
			AUD\$'000
At 1 July 2014	750,006	—	750
At 30 June 2015 and 1 July 2015	750,006	—	750
Issue of ordinary shares (<i>note (iii)</i>)	132,354	—	5,336
At 30 June 2016 and 1 July 2016	882,360	—	6,086
Issue of Class A shares	—	60,154	2,394
At 30 June 2017, 1 July 2017 and 31 October 2017	882,360	60,154	8,480

Notes:

(i) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

(ii) Class A shares

On 26 April 2017, the Company issued a total of 60,154 Class A shares, representing approximately 6.38% of the total number of shares in the issue share capital of the Company.

The key rights of the Class A shares are summarised below:

- (a) Dividend and voting rights: equal ranking with ordinary shares of the Company
- (b) Disposal restriction: Subject to the requirements of any listing rules applicable to a listing, Class A shares may not be sold until after they have converted into ordinary shares.
- (c) Conversion to ordinary shares on a listing or trade sale of the Company. Each Class A share will convert into an ordinary share of the Company on the earlier of (a) 31 December 2020, or (b) five business days prior to the issue of a prospectus of the Company for a listing, or (c) such earlier date determined by the board of directors of the Company in good faith to facilitate a listing or trade sale of the Company.

(iii) Alliance agreement with PricewaterhouseCoopers Nominees (ACT) Pty Ltd ("PwC Nominees")

On 30 May 2016, PwC Nominees purchased a strategic shareholding in the ordinary shares of the Company. The consideration of AUD\$5,500,000 for the 132,354 ordinary shares was settled by a cash payment of AUD\$2,500,000, and the remainder of AUD\$3,000,000 will be settled by way of a future service allowance through the Company's alliance agreement with PwC Australia. The service allowance enables the Company to use and apply for services with PwC Australia. The Company may utilise the service allowance until the end of the year ending 31 March 2023. The amounts of unutilised allowance were AUD\$3,000,000, AUD\$2,464,000 and AUD\$2,013,000 as at 30 June 2016, 30 June 2017 and 31 October 2017, respectively.

26. SHARE-BASED PAYMENTS*CEO's performance rights plan*

The Company operates a performance rights scheme (the "Scheme") for the purpose of providing the CEO with incentives and rewards for contributing to the success of the Company's operations. The Scheme became effective in June 2017 and, unless otherwise cancelled or amended, will remain in force for 15 years from that date.

The maximum number of unexercised performance rights currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 7% of the shares of the Company in issue at any time. Any further grant of performance rights in excess of these limits is subject to shareholders' approval in a general meeting.

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

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

The details of the performance rights granted are shown below:

Exercise price	—
Vesting condition	—
Vesting period	8 June 2017 to 7 June 2022
Expiry date	7 June 2032

The following performance rights were outstanding under the Scheme during the Relevant Periods:

	As at 30 June						As at 31 October 2017	
	2015		2016		2017		2017	
	Weighted average exercise price	Number of rights	Weighted average exercise price	Number of rights	Weighted average exercise price	Number of rights	Weighted average exercise price	Number of rights
Outstanding as at beginning of year/period	—	—	—	—	—	—	—	60,160
Granted	—	—	—	—	—	60,160	—	—
Forfeited	—	—	—	—	—	—	—	—
Exercised	—	—	—	—	—	—	—	—
Outstanding as at end of year/period	—	—	—	—	—	60,160	—	60,160
Weighted average exercise period	—	—	—	—	—	15 years	—	15 years
Exercisable as at end of year/period	—	—	—	—	—	—	—	—

The fair value of the performance rights is calculated as the value of the ordinary shares in the Company less the present value of the projected dividends over the expected term of the performance rights. The fair value of the performance rights as at measurement date is AUD\$3,229,000.

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

The Company recognised share-based payments of nil, nil, AUD\$37,157 and AUD\$215,273 for the years ended 30 June 2015, 2016, 2017 and the four months ended 31 October 2017, respectively.

As at 30 June 2017, the Company had 60,160 performance rights outstanding under the Scheme. The exercise in full of the outstanding performance rights would, under the present capital structure of the Company, result in the issue of 60,160 additional ordinary shares of the Company.

	As at 30 June			As at 31 October 2017
	2015	2016	2017	2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Expense arising from equity-settled share-based payment transactions	—	—	37	215
Deferred tax assets arising from equity-settled share-based payment	—	—	—	89
	—	—	37	304

27. LEASE COMMITMENTS*Operating lease commitments*

The Company leases office and training room space under non-cancellable operating leases arrangements. Leases for properties are negotiated for terms ranging from one to five years.

During the Relevant Periods, the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 June			As at
	2015	2016	2017	31 October 2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Within one year	796	1,018	1,041	1,267
In the second to fifth years, inclusive	2,934	2,522	2,577	2,415
	<u>3,730</u>	<u>3,540</u>	<u>3,618</u>	<u>3,682</u>

28. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the Historical Financial Information, the Company has the following transactions with a related party during the Relevant Periods.

During the year ended 30 June 2017, the Company used AUD\$536,000 of the service allowance from PwC Australia. During the four months ended 31 October 2017, the Company used AUD\$451,000 of the service allowance from PwC.

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

Details of key management personnel of the Group are included in note 11 under Section II of this report.

- (c) Outstanding balances arising from transactions with key management personnel or entities related to them.

Information on transactions with key management personnel or entities related to them, other than compensation, are set out below.

	As at 30 June			As at
	2015	2016	2017	31 October 2017
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Payables to directors	<u>3</u>	<u>5</u>	<u>80</u>	<u>113</u>

These balances relate to director fees and are interest-free and expected to be settled within one year.

29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the Relevant Periods are as follows:

	As at 30 June			As at
	2015	2016	2017	31 October
	AUD\$'000	AUD\$'000	AUD\$'000	2017
				AUD\$'000
Financial assets classified as loans and receivables				
Trade receivables	—	—	58	33
Financial assets included in deposits and other receivables	557	408	400	557
Cash and cash equivalents	16,898	17,956	16,100	16,157
	<u>17,455</u>	<u>18,364</u>	<u>16,558</u>	<u>16,747</u>
Financial liabilities at amortised cost				
Trade payables	955	981	1,127	1,189
Financial liabilities included in other payables and accruals	308	588	1,162	1,174
Dividend payable	—	8,889	—	—
	<u>1,263</u>	<u>10,458</u>	<u>2,289</u>	<u>2,363</u>

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, and dividend payables, approximate to their carrying amounts largely due to the short term maturities and insignificant discount rate of these instruments.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and cash equivalents. The Company has various other financial assets and liabilities such as trade payables which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Company's credit risk arises from cash and cash equivalents and deposits with banks.

Services to students are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk through exposure to individual students.

The credit risk of the Company's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Company's exposure to credit risk arising from trade receivables are disclosed in note 19 under Section II of this report.

Liquidity risk

The Company monitors its risk to a shortage of funds using its level of cash and cash equivalents. The Company's management reviews the level of cash and cash equivalents monthly to ensure that sufficient working capital is kept for the Company's operation.

The maturity of the Company's financial liabilities as at the end of the Relevant Periods, based on contractual undiscounted payments, is as follows:

	<u>On demand</u>	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Total</u>
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
At 30 June 2015				
Trade payables	955	—	—	955
Financial liabilities included in other payables and accruals	308	—	—	308
	<u>1,263</u>	<u>—</u>	<u>—</u>	<u>1,263</u>
At 30 June 2016				
Trade payables	981	—	—	981
Financial liabilities included in other payables and accruals	522	—	66	588
Dividend payable	8,889	—	—	8,889
	<u>10,392</u>	<u>—</u>	<u>66</u>	<u>10,458</u>
At 30 June 2017				
Trade payables	1,127	—	—	1,127
Financial liabilities included in other payables and accruals	1,080	—	82	1,162
	<u>2,207</u>	<u>—</u>	<u>82</u>	<u>2,289</u>
At 31 October 2017				
Trade payables	1,189	—	—	1,189
Financial liabilities included in other payables and accruals	1,091	—	83	1,174
	<u>2,280</u>	<u>—</u>	<u>83</u>	<u>2,363</u>

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	<u>At 1 July 2015</u>	<u>Dividends to shareholders</u>	<u>Cash flows</u>	<u>At 30 June 2016</u>
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$'000
Year ended 30 June 2017				
Dividend payable	<u>—</u>	<u>13,889</u>	<u>(5,000)</u>	<u>8,889</u>

	<u>At 1 July 2016</u>	<u>Cash flows</u>	<u>At 31 October 2016</u>
	AUD\$'000	AUD\$'000	AUD\$'000
Four months ended 31 October 2016 (Unaudited)			
Dividend payable	<u>8,889</u>	<u>(8,889)</u>	<u>—</u>

	<u>At 1 July 2016</u>	<u>Cash flows</u>	<u>At 30 June 2017</u>
	AUD\$'000	AUD\$'000	AUD\$'000
Year ended 30 June 2017			
Dividend payable	<u>8,889</u>	<u>(8,889)</u>	<u>—</u>

33. SUBSEQUENT EVENTS

The Company conditionally adopted a share option scheme on 18 April 2018, a summary of the terms and conditions of which are set out in the section headed “Statutory and General Information — F. Share Option Scheme” in Appendix IV to this prospectus.

Save as disclosed in note 14 to the financial statements, there is no material subsequent event undertaken by the Company after 31 October 2017 and up to the date of the prospectus.

34. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company in respect of any period subsequent to 31 October 2017.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes only. The pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets attributable to owners of the Company was prepared in accordance with Rule 4.29 of the Hong Kong Listing Rules and is set out below to illustrate the effect of the Global Offering on the net tangible assets attributable to owners of the Company as at 31 October 2017 as if the Global Offering had taken place on that date. The statement of unaudited pro forma adjusted net tangible assets of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of our net tangible assets had the Global Offering been completed as at 31 October 2017 or at any future date.

The statement of unaudited pro forma adjusted net tangible assets of the Company set out below is calculated based on the net assets attributable to owners of the Company as at 31 October 2017, as shown in the Accountants' Report, the text of which is included in Appendix I to this prospectus, and is adjusted as described below:

	Net tangible assets of the Company attributable to the owners of the Company as at 31 October 2017 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted net tangible assets of the Company attributable to the owners of the Company as at 31 October 2017	Unaudited pro forma adjusted net tangible assets of the Company attributable to the owners of the Company per Share as at 31 October 2017 ⁽³⁾ ⁽⁴⁾	
	AUD\$'000	AUD\$'000	AUD\$'000	AUD\$	HK\$
Based on an offer price of HK\$0.27 per Offer Share . . .	<u>15,196</u>	<u>21,262</u>	<u>36,458</u>	<u>0.01</u>	<u>0.06</u>
Based on an offer price of HK\$0.37 per Offer Share . . .	<u>15,196</u>	<u>31,042</u>	<u>46,238</u>	<u>0.02</u>	<u>0.12</u>

Notes:

- (1) The net tangible assets of the Company attributable to owners of the Company as at 31 October 2017 were extracted from the Accountants' Report, the text of which is included in Appendix I of this Prospectus, which is based on the net assets attributable to the owners of the Company as at 31 October 2017 of AUD\$18.9 million after deducting intangible assets of AUD\$3.7 million.
- (2) The estimated net proceeds from the Global Offering are based on 628,400,000 Offer Shares of an indicative Offer Price of HK\$0.27 and HK\$0.37 per Offer Share, respectively, after deducting the underwriting fees and other related expenses, and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or any Shares which may be issued upon the exercise of the options granted under the Pre-IPO Share Option Scheme and the warrants issued by the Company. For the purpose of the estimated net proceeds from the Global Offering, the amount stated in Hong Kong dollars has been converted into Australian dollars at the rate of AUD\$0.1613 to HK\$1.0. No representation is made that the Australian dollar amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.
- (3) The unaudited pro forma adjusted net tangible assets of the Company attributable to the owners of the Company as at 31 October 2017 per Share is arrived at after the adjustments referred to in note 2 above and on the basis that 2,513,428,000 Shares were in issue assuming the Global Offering and a share split pursuant to which each share was subdivided and designated as 2,000 fully paid shares in the capital of the Company had been completed on 31 October 2017. It takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option or any Shares which may be issued upon the exercise of the options granted under the Pre-IPO Share Option Scheme and the warrants issued by the Company. It also does not take into account a dividend of HK\$38,955,000 (equivalent to approximately AUD\$6,283,000) declared by the Company in April 2018. Had the dividend been taken into account, the unaudited pro forma adjusted net tangible assets per Share would be HK\$0.06 (assuming an Offer Price of HK\$0.27 per Share) and HK\$0.12 (assuming an Offer Price of HK\$0.37 per Share), respectively.
- (4) For the purpose of the unaudited pro forma adjusted net tangible assets of the Company attributable to the owners of the Company as at 31 October 2017 per Share, the balance stated in Australian dollars are converted into Hong Kong dollars at the rate of AUD\$0.1613 to HK\$1.0. No representation is made that the Australian dollar amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose for inclusion in this prospectus.

27 April 2018

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

To the Directors of Top Education Group Ltd,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Top Education Group Limited (the "**Company**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consists of the pro forma net tangible assets as at 31 October 2017, and related notes as set out on pages II-1 and II-2 of the prospectus dated 27 April 2018 issued by the Company (the "**Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in pages II-1 and II-2 of Appendix II to the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Company's financial position as at 31 October 2017 as if the transaction had taken place at 31 October 2017. As part of this process, information about the Company's financial position has been extracted by the Directors from the Company's financial statements for the period ended 31 October 2017, on which an accountants' report has been published.

DIRECTORS' RESPONSIBILITY FOR THE PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 Preparation of *Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Company as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Company, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Company; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young

Certified Public Accountants

Hong Kong

27 April 2018

1. INCORPORATION AND LISTING

Our Company was incorporated on 2 October 2001 as an Australian proprietary company. On 12 October 2017, our Company converted from a proprietary company into a public company limited by shares.

2. CONSTITUTION

Our Constitution, which comprises the Articles, was conditionally adopted on 18 April 2018 and will become effective on the Listing Date.

3. SHARE CAPITAL

The issued capital of our Company as at the 24 April 2018 was 1,885,028,000 Shares. All Shares have no nominal or par value (such concepts do not exist under Australian law) and are recorded in the accounts of our Company at their respective issue prices.

4. CLASSES OF SHARES

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

5. OPTIONS

Pursuant to our Constitution, our Company may grant options over unissued shares in our Company.

6. CAPITAL RAISING

Our Constitution permits our Company to raise additional capital. Any capital raising must be conducted in compliance with the Australian Corporations Act, which relevantly includes provisions such as disclosure requirements relating to fundraising.

7. PRE-EMPTIVE RIGHTS ON NEW ISSUES OF SHARES

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

8. ALTERATION OF CAPITAL

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

9. BUY-BACKS

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

10. DIRECTOR SHAREHOLDINGS

Our Directors are not required to hold any Shares under the Australian Corporations Act or our Constitution.

11. OBJECTS

Our Company does not have an objects article in our Constitution because an Australian company is not required to have an objects article. Pursuant to section 124 of the Australian Corporations Act, our Company has the legal capacity and powers of an individual and all powers of a body corporate.

12. VOTING RIGHTS

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

The Australian Corporations Act states that:

- a member of our Company who is entitled to attend and cast a vote at a meeting of our members may appoint any person or corporate representative as that member's proxy to attend and vote for that member at the meeting; and
- a proxy appointed to attend and vote for a member has the same rights as the member that appointed that proxy, to speak and vote at the meeting and join in a demand for a poll.
- Articles 16 and 17 of our Constitution contain practical rules about entitlements to attend and vote (including by proxy) which reflect the above statutory position.

13. DIVIDENDS

Under the Australian Corporations Act, our Company must not pay a dividend unless:

- our Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to our Shareholders as a whole; and
- the payment of the dividend does not materially prejudice our Company's ability to pay its creditors.

Under our Constitution, our Directors may determine that a dividend is payable and fix:

- the amount;
- the time for payment;
- the method of payment; and
- if some or all of the dividend is to be paid by distributing assets, what those assets are.

Under our Constitution:

- our Directors, when paying or declaring a dividend, may direct payment of the dividend wholly or partly by distribution of specific assets, including fully-paid shares in, or debentures of, our Company and any other corporation; and
- All dividends declared but unclaimed may be invested by our Directors for the benefit of our Company until claimed or dealt with under any law relating to unclaimed money.

Our Constitution also provides in Article 30.13(b) that the power to forfeit unclaimed dividends shall not be exercised until 6 years or more after the date of declaration of the dividend.

14. DISTRIBUTION OF ASSETS ON A WINDING-UP

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

15. TRANSFER OF SHARES

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

16. VARIATION OF RIGHTS

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

- the consent in writing of the holders of 75% of the issued Shares of that class; or
- the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class.

17. POWERS OF OUR DIRECTORS

Under our Constitution, our Board may exercise all the powers to manage the business of our Company and, except as required by the Australian Corporations Act and our Constitution, may exercise each right, power or capacity of our Company to the exclusion of our Company in general meeting and the members.

Unissued Shares are under the control of our Board which may on behalf of our Company, allot, issue, grant options over or otherwise dispose of them to persons, on the terms and conditions, with the rights and privileges, and at the times, that the Board determines.

18. REMUNERATION OF DIRECTORS

Remuneration of the non-executive directors (other than a “Managing Director” or an executive director) may be paid as remuneration for their services. The maximum amount of such remuneration is determined from time to time by our Company in a general meeting.

19. INDEMNITY

To the extent that it is permitted to do so under the Australian Corporations Act, our Company must indemnify any current or former Director, officer, auditor and agent of our Company (the “Officer”) or a related body corporate of our Company, out of the property of the Company, against any liability which that Officer may incur because of being an Officer or in carrying out the business or exercising the powers of our Company.

Under our Constitution, this indemnity applies except to the extent that:

- our Company is forbidden by law to indemnify the person against the liability or legal costs; or
- an indemnity by our Company of the person against the liability or legal costs, if given, would be made void by law.

20. DIRECTORS’ INTERESTS IN MATTERS

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

21. RESTRICTIONS ON DIRECTORS’ VOTING

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

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

22. NUMBER OF DIRECTORS

The number of Directors must be such number not less than three. Our Constitution does not currently set any maximum limit on the number of Directors.

23. DIRECTORS' APPOINTMENT

The Shareholders may by ordinary resolution:

- appoint new Directors;
- increase or reduce the maximum number of Directors;
- remove any Director before the end of his or her term of office; and
- appoint another person in place of a Director who has been removed from office and the replacement Director shall hold office for the term for which the Director who has been replaced would have held office if that Director had not been replaced.

Our Directors may appoint any person as a Director either to fill a casual vacancy or as an addition to their number, provided that any person appointed by the Directors to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

24. REMUNERATION OF EXECUTIVE DIRECTORS

Article 19.5 of our Constitution provides that the remuneration of a managing director or of a Director occupying an executive position in our Company may from time to time be fixed by the Directors.

25. GENERAL MEETINGS

In accordance with the Australian Corporations Act, our Company must hold an annual general meeting at least once every calendar year, and within the period of 5 months after the end of the financial year. A general meeting can be held at such place as may be determined by the Board.

A general meeting of our Company may also be convened by our Directors or Shareholders, subject to our Constitution and the Australian Corporations Act.

26. REDUCTIONS OF CAPITAL

An ordinary resolution of Shareholders is required for an equal reduction of capital. A reduction of capital is an equal reduction of capital if:

- it relates only to ordinary Shares; and
- it applies to each holder of ordinary Shares in proportion to the number of ordinary Shares he/she/it holds; and
- the terms of the reduction are the same for each holder of ordinary Shares.

Any other reduction of capital is a selective reduction. A special resolution of Shareholders (with no votes cast in favour of the resolution by a person who is to receive consideration or whose liability to pay amounts unpaid on shares is to be reduced or by their associates) or a resolution agreed to by all ordinary shareholders is required for a selective reduction of capital.

27. REDEEMABLE SHARES

Our Company may issue preference shares in accordance with the Australian Corporations Act and our Constitution. Our Company may only redeem redeemable preference shares:

- on the terms on which they were issued; and
- if the shares are fully paid-up and out of profits or the proceeds of a new issue of shares made for the purpose of redemption.

Our Company does not currently have any preference shares on issue.

28. BORROWING POWERS OF OUR COMPANY

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

- (a) borrow money and to mortgage or charge its undertaking, assets and uncalled capital or any part of it; and
- (b) issue debentures, debenture stock and other securities whether outright or as security for any debt, contract, guarantee, engagement, obligation or liability of our Company or of any third party,

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

29. FINANCIAL ASSISTANCE

Financial assistance by the Company for the acquisition of our Company's own Shares is generally prohibited, except with Shareholder approval by special resolution with no votes cast in favour by persons acquiring the shares or approval by all ordinary shareholders (and the required prior notice is

given to the Australian Securities & Investments Commission) or where an exception applies. Section 260A(1) of the Australian Corporations Act allows financial assistance in certain circumstances, including if it does not materially prejudice:

- the interests of our Company or our Shareholders; or
- our Company's ability to pay its creditors.

30. STATUTORY DERIVATIVE ACTIONS

Section 236(1) of the Australian Corporations Act provides that a person may, among other matters, bring proceedings on behalf of a company, or intervene in proceedings to which the company is party, for the purpose of taking responsibility on behalf of the company for those proceedings or for a particular step in those proceedings if both of the following conditions are met:

- the person is a member (or former member), person entitled to be registered as a member of the company (or its related body corporate) or an officer (or former officer) of the company; and
- an Australian court grants that person leave to bring those proceedings or intervene in those proceedings under section 237 of the Australian Corporations Act.

An Australian court must the application for such leave if it is satisfied that:

- it is probable that our Company will not itself bring the proceedings;
- the applicant is acting in good faith;
- it is in the best interests of our Company that the applicant be granted leave;
- there is a serious question to be tried; and
- either at least 14 days' written notice has been given to our Company of the intention to apply for leave and at the reasons for applying or it is appropriate to grant leave despite the notice not being satisfied.

31. PROTECTION OF MINORITIES

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

32. DISPOSAL OF ASSETS

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

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

33. ACCOUNTING AND AUDITING REQUIREMENTS

A copy of our Directors' report, accompanied by the financial report and the auditor's report shall be laid before the annual general meeting of Shareholders for the last financial year ended before the annual general meeting.

34. REGISTER OF MEMBERS

As our Company has more than 50 members upon Listing, it must include in the register an up-to-date index of members' names. A separate index is not required if the register itself is kept in a form that operates effectively as an index.

35. INSPECTION OF BOOKS AND RECORDS

No member is entitled to require discovery of, inspection of, or any information concerning the affairs of our Company, except as provided by the Australian Corporations Act or as permitted by the Board.

On application by a Shareholder, an Australian court may make an order:

- authorising the applicant to inspect books of our Company; or
- authorising another person to inspect books of our Company on the applicant's behalf.

36. SPECIAL RESOLUTIONS

The Australian Corporations Act provides that a resolution is a special resolution when it has been passed by a majority of not less than 75% of the votes cast by members entitled to vote on the resolution.

37. RECONSTRUCTIONS

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

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

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

38. WINDING UP

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

39. TAKEOVER REGULATION

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

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

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

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

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

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

in 90% or more of the issued shares is able to acquire the remaining shares for fair value (confirmed by an independent expert), within six months after the person first acquires an interest in 90% or more of the issued shares.

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

40. GENERAL

Deutsch Miller, our Company's legal adviser as to the Australian laws, has sent to our Company a letter of advice summarising certain aspects of the Australian Corporations Act. This letter is available for inspection as referred to in "Appendix V — Documents delivered to the Registrar of Companies in Hong Kong and available for inspection" to this prospectus. Any person wishing to have a detailed summary of the Australian Corporations Act or advice on the differences between it and the laws of any other jurisdiction is recommended to seek independent legal advice.

41. SHAREHOLDERS PROTECTIONS

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

Matters requiring a Super-Majority Vote

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

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

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

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

Meanings of a Super-Majority Votes

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

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

Variation of rights

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

Changes to our Constitution

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

Winding-up

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

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

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

Individual Members to Approve Increase in Members' Liability

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

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

Appointment of Auditors

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

Appointment

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

Removal

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

Remuneration

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

Annual General Meetings

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

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

Notice of General Meetings

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

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

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

Rights to speak and vote at the General Meetings

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

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

Proxies or Corporate Representatives

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

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

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

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation**

Our Company was incorporated in Australia under the Australian Corporations Act with limited liability on 2 October 2001. Our Company has established a place of business in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 21 November 2017. Ms. Yuk Yin Ivy Chow of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong has been appointed as the authorised representative of our Company for the acceptance of service of process in Hong Kong.

As our Company was incorporated in Australia, it operates subject to relevant Australian laws, including the Australian Corporations Act and its Constitution. A summary of our Constitution and a summary of the relevant aspects of the Australian Corporations Act are set out in Appendix III to this prospectus.

On 12 October 2017, our Company was converted into a public company limited by shares under the laws of Australia and our Company was renamed "Top Education Group Ltd" with immediate effect on the date of conversion.

2. Changes in the Share Capital of our Company

The changes in the share capital since the date of our Company's incorporation are disclosed in the section "History, Reorganisation and Company Structure".

Immediately following the completion of the Global Offering and without taking into account of any Shares which may be issued upon the exercise of the Over-allotment Option, any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme, the issued share capital of our Company will be 2,513,428,000 Shares, all fully paid or credited as fully paid.

Save for the above and as mentioned in the paragraph headed "— 3. Resolutions in writing of our Shareholders passed on 18 April 2018" below, there has been no alteration in the share capital of our Company since its incorporation and have been no changes in the share capital of our Company within the two years preceding the date of this prospectus.

3. Resolutions in Writing of our Shareholders passed on 18 April 2018

Pursuant to the resolutions in writing of our Shareholders passed on 18 April 2018:

- (a) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, our Shares in issue, the Shares to be issued pursuant to the Global Offering and our Shares to be issued as mentioned in this prospectus (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan or any Shares that may be issued upon the exercise of any options granted under the Share Option

Scheme); (ii) the entering into of the agreement on the Offer Price among our Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date; and (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

- (i) the Global Offering (including the Over-allotment Option) was approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Global Offering; and
 - (ii) the Over-allotment Option was approved and our Directors be authorised to effect the same and to allot and issue such number of Shares upon the exercise of the Over-allotment Option;
- (b) the share split of the issued share capital of our Company held by the members of our Company by way of sub-division and designation of each Share into 2,000 fully-paid Shares in the capital of our Company immediately after the conversion of the Class A Shares was approved;
- (c) a general unconditional mandate was given to our Directors to, subject to compliance with the Australian Corporations Act and the Listing Rules, exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Constitution, or under the Global Offering, or issue of Shares upon exercise of rights of subscription or conversion attaching to any warrants of our Company or any securities which are convertible into Shares, Shares with an aggregate number of not exceeding the sum of (aa) 20% of the total number of Shares in issue immediately following completion of the Global Offering but excluding (where applicable) any Shares which may be issued pursuant to the exercise of the Over-allotment Option and without taking into consideration any Shares to be issued upon the vesting of the performance rights under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme) and (bb) the number of Shares which may be purchased by our Company pursuant to the authority granted to the Directors as referred to in paragraph (d) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Constitution or the Australian Corporations Act to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first;
- (d) a general unconditional mandate (“**Repurchase Mandate**”) was given to our Directors to, subject to compliance with the Australian Corporations Act and the Listing Rules, exercise all powers of our Company to purchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose Shares with an aggregate number of not exceeding 10% of the total number of Shares in issue immediately following completion of the Global Offering but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and

any Shares to be issued upon the exercise of any options granted under the Share Option Scheme until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Constitution or the Australian Corporations Act to be held, or the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority given to the Directors, whichever occurs first;

- (e) the general unconditional mandate as mentioned in paragraph (c) above was extended by the addition to the aggregate number of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors under such general mandate of an amount representing the aggregate number of the Shares purchased by our Company under the Repurchase Mandate referred to in paragraph (d) above;
- (f) the Share Option Scheme, the principal terms of which are set out in “— E. Share Option Scheme” below, were approved and adopted, and our Directors were authorised to grant options to subscribe for Shares under the Share Option Scheme and to allot, issue and deal with the Shares pursuant thereto and to take all such steps as they consider necessary or desirable to implement the Share Option Scheme.
- (g) the Constitution were approved and adopted and effective on the Listing Date.

4. Repurchase of our Shares

(a) Relevant legal and regulatory requirements

The Listing Rules permit our Shareholders to grant to our Directors a general mandate to repurchase the Shares that are listed on the Stock Exchange. The mandate is required to be given by way of an ordinary resolution passed by the Shareholders in a general meeting.

(b) Shareholders' approval

All proposed repurchases of Shares (which must be fully paid up) must be approved in advance by ordinary resolutions of the Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the resolutions in writing passed by all Shareholders on 18 April 2018, our Directors were granted a general unconditional mandate to repurchase up to 10% of the total number of Shares in issue immediately following the Global Offering (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme) on the Stock Exchange or on any other stock exchange on which our Company's securities may be listed and which is recognised by the SFC and the Stock Exchange for this purpose. Such mandate will expire at the earliest of (i) the conclusion of our Company's next annual general meeting; (ii) the date by which our Company's next annual general meeting is required by the Constitution or the Australian Corporations Act to be held; or (iii) such mandate being revoked or varied by ordinary resolutions of the Shareholders in a general meeting (“**Relevant Period**”).

(c) Source of funds

Our Company's repurchase of the Shares listed on the Stock Exchange must be funded out of funds legally available for the purpose in accordance with the Constitution, the Listing Rules and the applicable laws of Australia. Our Company may not repurchase the Shares on the Stock Exchange for consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Company may make repurchases out of the profit or out of the proceeds of a fresh issue of Shares for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be out of profits of our Company or out of our Company's share premium account. If authorised by the Constitution and subject to the Australian Corporations Act, repurchase may also be made out of capital.

(d) Reasons for repurchases

Our Directors believe that it is in our Company's and its Shareholders' best interests for our Directors to have general authority to execute repurchases of the Shares in the market. The repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made where our Directors believe that the repurchases will benefit our Company and its Shareholders.

(e) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Constitution, the Listing Rules and the applicable laws of Australia. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise in accordance with the trading rules of the Stock Exchange from time to time.

On the basis of the current financial position of our Company as disclosed in this prospectus and taking into account the current working capital position of our Company, our Directors believe that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Company as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(f) Share capital

The exercise in full of the current Repurchase Mandate, on the basis of 2,513,428,000 Shares in issue immediately after the Global Offering (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme), could accordingly result in up to 251,342,800 Shares being repurchased by our Company during the Relevant Period.

(g) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any of the Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Constitution, the Australian Corporations Act and any other applicable laws of Australia.

If, as a result of any repurchase of our Shares, a Shareholder's proportionate interest in our Company's voting rights is increased, the increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code.

No connected person of our Company has notified our Company that he or it has a present intention to sell his or its Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.


B. FURTHER INFORMATION ABOUT OUR COMPANY**1. Summary of Material Contracts**

Our Company has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this prospectus that are or may be material:

- (a) the subscription agreement dated 27 April 2016 between our Company and PwC Nominees pursuant to which PwC Nominees subscribed for a total of 132,354 shares representing 15% of the then total issued share capital of TOP at AUD\$5,500,000;
- (b) the Alliance Agreement dated 27 May 2016 between our Company and PwC Australia pursuant to which the parties agreed to form a strategic alliance arrangement;
- (c) the invitation letters dated 24 April 2017 issued by our Company in respect of the Third Round Pre-IPO Investment and the completed schedules from each of the Third Round Pre-IPO Investors pursuant to which they applied for an aggregate of 60,154 Class A Shares;
- (d) the Deed of Indemnity;
- (e) the Deed of Non-competition;
- (f) the cornerstone investment agreement dated 21 April 2018 among our Company, the Sole Sponsor, Minsheng Education Development Company Limited and CCB International Capital Limited in relation to the purchase of 209,000,000 Shares;
- (g) the cornerstone investment agreement dated 20 April 2018 among our Company, the Sole Sponsor, Shenzhen Qianhai Lotus-Gesar Asset Management Co., Ltd and Essence International Securities (Hong Kong) Limited in relation to the purchase of 44,280,000 Shares; and
- (h) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

- (a) As at the Latest Practicable Date, we had applied for the registration of the following trademark in the following jurisdictions:

<u>Trademark</u>	<u>Registered owner</u>	<u>Place of application</u>	<u>Class</u>	<u>Application number</u>	<u>Filing date (Note 1)</u>
	Top Education Group Ltd	Australian	9, 16, 35, 39, 41, 42, 43 and 45	1849958	6 June 2017
		Hong Kong		304250358	24 August 2017
		PRC		1389065	28 November 2017

Note:

- (1) The priority date of the applications in Hong Kong and PRC is 6 June 2017.
- (b) As at the Latest Practicable Date, the trademark application in Australia has been accepted.
- (c) As at the Latest Practicable Date, we had registered the following domain names:

<u>Domain names</u>	<u>Name of Registered owner</u>	<u>Expiry date</u>
top.edu.au	Top Education Group Ltd	19 July 2019
sctl.edu.au	Top Education Group Ltd	18 March 2020
sctb.edu.au	Top Education Group Ltd	18 March 2020

- (d) As at the Latest Practicable Date, we had registered the following business names:

<u>Business names</u>	<u>Name of Registered owner</u>	<u>Expiry date</u>
Top Education Institute	Top Education Group Ltd	5 December 2020
Sydney City School of Business	Top Education Group Ltd	14 April 2021
Sydney City Business School	Top Education Group Ltd	14 April 2021
Sydney City School of Law	Top Education Group Ltd	14 April 2021
Sydney City Law School	Top Education Group Ltd	14 April 2021
Australian Institute of Management & Accounting	Top Education Group Ltd	18 August 2020

Save as disclosed above, there are no other trade or service mark, patents, other intellectual or industrial property rights which are or may be material to the business of our Company.

C. DISCLOSURE OF INTERESTS

1. *Disclosure of Interests*(a) **Interests and short positions of our Directors in the share capital and the associated corporations following the completion of the Global Offering**

Immediately following completion of the Global Offering (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme), the interests of our Directors and chief executives in the equity or debt securities of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, under section 352 of the SFO, to be entered in the register referred to in that section, or under the Listing Rules, to be notified to our Company and the Stock Exchange, in each case, once the Shares are listed will be as follows:

<u>Name of Director/ Chief Executive</u>	<u>Capacity/ Nature of interest</u>	<u>Number of underlying Shares (Note 1)</u>	<u>Percentage of shareholding immediately following the completion of the Global Offering (Note 2)</u>
Dr. Zhu (Note 3)	Beneficial owner; interest held jointly with other persons	853,308,000	33.95%
Mr. Lee (Note 3)	Beneficial owner; interest held jointly with other persons	853,308,000	33.95%
Mr. Wang Weiping (Note 4)	Interested in a controlled corporation	224,096,000	8.92%
Mr. Thomas Richard Seymour (Note 5)	Interest in a controlled corporation	21,008,000	0.83%
Mr. Kai Zhang (as alternate Director to Mr. Thomas Richard Seymour)	Beneficial owner	20,976,000	0.83%

Notes:

(1) All interests stated are long positions.

- (2) The calculation is based on the total number of 2,513,428,000 Shares in issue immediately following the completion of the Global Offering (but without taking into account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme).
- (3) The members of the Controlling Shareholders Group are parties acting in concert and on 13 October 2017, they entered into a confirmation deed to, among others, confirm that they have been acting together with an aim to achieving decisions at general meetings of our Company on a unanimous basis. Members of the Controlling Shareholders Group are our founding Shareholders or had invested in our Company at an early stage. Immediately following completion of the Global Offering and assuming that the Over-allotment Option is not exercised at all and without taking into consideration any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme, all the members of the Controlling Shareholders Group will together control approximately 33.95% of the total share capital of our Company. Under the SFO, each of Dr. Zhu and Mr. Lee is deemed to be interested in the Shares beneficially owned by the other members of the Controlling Shareholders Group.
- (4) Mr. Wang Weiping holds 40% of the issued share capital of Loyal Creation, which holds 224,096,000 Shares, and accordingly, Mr. Wang Weiping is deemed to be interested in 224,096,000 Shares held by Loyal Creation by virtue of the disclosure requirements of the SFO.
- (5) Mr. Thomas Richard Seymour controls more than one-third of the voting rights of TD Seymour Pty Ltd (ACN 609 660 139). As such, Mr. Thomas Richard Seymour is deemed to be interested in 21,008,000 Shares held by TD Seymour Pty Ltd (ACN 609 660 139).

(b) Interests and short positions of our substantial Shareholders in the share capital and the associated corporations following the completion of the Global Offering

(i) Interests in our Company

Save as disclosed in the section headed “Substantial Shareholders” in this prospectus, our Directors are not aware of any other person, not being a Director or chief executive of our Company, who will have an interest or short position in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company immediately following completion of the Global Offering (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme).

D. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Directors’ Service Contracts

Each of our Directors has entered into a service contract or an appointment letter (as the case may be) with our Company for an initial fixed term of three years commencing on the Listing Date which may only be terminated in accordance with the provisions of the service contract or the appointment letter (as the case may be) or by (i) our Company giving to any Director not less than three months’ prior notice in writing or (ii) by any Director giving to our Company not less than one month’s prior notice in writing.

Each of our Directors is entitled to the respective basic salary under their respective service contracts or appointment letters set out below. Our Directors may also be entitled to a discretionary bonus. A Director may not vote on any resolution regarding the increment of annual salary and the amount of the discretionary bonus payable to him or her.

The current basic annual directors' fee of our Directors under the current service contracts or appointment letters with our Company are as follows:

<u>Name</u>	<u>Annual Amount</u>
	<u>HK\$</u>
Dr. Minshen Zhu	806,000
Ms. Sumeng Cao	806,000
Mr. Amen Kwai Ping Lee	496,000
Mr. Thomas Richard Seymour	496,000
Mr. Jing Li	496,000
Mr. Brian Stoddart	500,000
Mr. Steven Schwartz	500,000
Mr. Tianye Wang	300,000
Mr. Weiping Wang	300,000

Our Company has not entered or proposed to enter into any service contract or appointment letter with our Directors which is for a duration exceeding three years or which is not determinable by our Company within one year without payment of compensation (other than statutory compensation).

2. Directors' Remuneration during the Track Record Period

For each of the financial years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017, the aggregate amount of the remuneration paid and benefits in kind granted to our Directors (of which, only Dr. Zhu, Mr. Amen Kwai Ping Lee and Mr. Jing Li received such remuneration) was approximately AUD\$279,000, AUD\$1,613,000, AUD\$455,000 and AUD\$331,000, respectively.

Save as disclosed above, no other emoluments have been paid or are payable, in respect of each of the financial years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017 by our Company.

Under the arrangements currently in force, our Company estimates that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors (excluding any salary and discretionary bonus) for the financial year ending 30 June 2018 will be approximately HK\$4.6 million.

3. Agency Fees or Commissions Received

Save as disclosed in this prospectus, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Company within the two years preceding the date of this prospectus.

4. *Disclaimers*

Save as disclosed in this prospectus:

- (a) none of our Directors or chief executives has any interest or short position in our Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies once our Shares are listed;
- (b) none of the persons referred to in the section headed “G. Other Information — 7. Consents” in this Appendix has any shareholding in our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company;
- (c) none of our Directors or the experts referred to in the section headed “— G. Other Information — 7. Consents” in this Appendix has any direct or indirect interest in the promotion of our Company or our subsidiary, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Company, or are proposed to be acquired or disposed of by or leased to any member of our Company;
- (d) none of our Directors or the experts referred to in the section headed “— G. Other Information — 7. Consents” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Company taken as a whole;
- (e) none of our Directors has any existing or proposed service contracts with any member of our Company (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (f) taking no account of Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Company; and
- (g) so far as is known to our Directors, as at the Latest Practicable Date, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Company.

E. PRE-IPO PERFORMANCE RIGHTS PLAN

The Pre-IPO Performance Rights Plan is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules.

The following is a summary of the principal terms of the Pre-IPO Performance Rights Plan we adopted on 8 June 2017:

Summary of Terms

1. Purposes of the Pre-IPO Performance Rights Plan

The Pre-IPO Performance Rights Plan creates a long-term incentive framework aimed at creating a stronger link between our Company and the Eligible Persons (defined below), whilst increasing shareholder value.

2. Performance Rights

A performance right under the Pre-IPO Performance Rights Plan (“**Pre-IPO Performance Right(s)**”) gives an Eligible Person (defined below) the right to, subject to the absolute discretion of the Board and to the terms of the Pre-IPO Performance Rights Plan, including but not limited to satisfaction of any vesting conditions, acquire Shares notified to the Eligible Person by our Company or to receive a cash payment in lieu of a share.

Our Board may decide, in its absolute discretion, to substitute the issue, transfer or allocation of Shares on the exercise of Pre-IPO Performance Rights, for the payment to the Pre-IPO Performance Rights Participants (defined below) of a cash amount calculated in accordance with the following formula:

$$\text{Number of Pre-IPO Performance Rights} \times \text{Market Value of a Share on the Exercise Date of the Pre-IPO Performance Rights}$$

3. Pre-IPO Performance Rights participants in the Pre-IPO Performance Rights Plan

A participant of the Pre-IPO Performance Rights Plan (“**Pre-IPO Performance Rights Participants**”) means any person in respect of whom an offer to participate in the Pre-IPO Performance Rights Plan is accepted and includes:

- (a) any employee, director or member of the Council of one or more members of our Company and its subsidiaries selected by our Board in its absolute discretion to participate in the Pre-IPO Performance Rights Plan (“**Eligible Persons**”); and
- (b) in relation to an Eligible Person, a body corporate who is:
 - (i) an entity controlled by the Eligible Person (“controlled” has the corresponding meaning of “control” as defined in section 50AA of the Australian Corporations Act); or
 - (ii) any other entity as the Board may determine in its absolute discretion (“**Affiliates**”).

4. Administration of the Pre-IPO Performance Rights Plan

The Pre-IPO Performance Rights Plan is to be administered by the Board. Our Board may make further provisions for the operation of the Pre-IPO Performance Rights Plan which are consistent with the clauses in the Pre-IPO Performance Rights Plan.

5. Offer of Performance Rights

From time to time, our Company may make an offer to participate in the Pre-IPO Performance Rights Plan to an Eligible Person or their Affiliate. An offer to an Eligible Person or their Affiliate to apply for Pre-IPO Performance Rights may be made on such terms and conditions as the Board decides from time to time, and our Board shall have the power, in its sole discretion to:

- (a) determine the number of Pre-IPO Performance Rights the subject of the offer;
- (b) approve or not approve any Affiliate;
- (c) determine the exercise price (if any) to exercise the Pre-IPO Performance Rights and be issued, transferred or allocated Shares subject to the Pre-IPO Performance Rights Plan;
- (d) determine the vesting, disposal and forfeiture restrictions that apply to those Pre-IPO Performance Rights;
- (e) determine the manner in which the offer may be accepted;
- (f) amend any offer related to any Pre-IPO Performance Rights;
- (g) determine appropriate procedures, regulations and guidelines for the administration of the Pre-IPO Performance Rights Plan;
- (h) determine whether a cash payment will be payable to a Participant in lieu of a Share being issued, transferred or allocated; and
- (i) take advice in relation to the exercise of any of its powers or discretions under these clauses.

The offer to an Eligible Person or their Affiliate must be accompanied by an application form. Our Company may require from the relevant Eligible Person or Affiliate: (aa) any information that it regards as necessary concerning the Eligible Person or Affiliate; and (bb) confirmation that any information previously provided by the Eligible Person or Affiliate to our Company still remains true and correct in all material respects.

6. Acceptance of offer

On receipt of an offer, the Eligible Person to whom the offer was addressed (or a nominated Affiliate) may apply for the number of Pre-IPO Performance Rights described in that offer by sending to the person designated by our Company a duly completed and signed application form in accordance with the offer and Pre-IPO Performance Rights Plan.

7. Rights attached to Pre-IPO Performance Rights

An offer will be in respect of a single grant of Pre-IPO Performance Rights and does not entitle an Eligible Person or an Affiliate of an Eligible Person to participate in any subsequent grants.

A Pre-IPO Performance Right does not confer on an Eligible Person, an Affiliate of an Eligible Person or a Pre-IPO Performance Right holder:

- (a) any voting rights in respect of Shares or in respect of any other equity securities of our Company;
- (b) the right to participate in new issues of Shares or other equity securities of our Company;
- (c) the right to attend or vote at any general meeting or other meeting of holders of any Shares or other equity securities of our Company;
- (d) the right to receive any dividends or other distributions or to receive or otherwise participate in any returns of capital from our Company; or
- (e) the right to participate in a liquidation or winding up of our Company.

8. Rights attached to the Shares

All Shares issued or transferred on exercise of Pre-IPO Performance Rights in accordance with the Pre-IPO Performance Rights Plan will (i) be issued as fully paid; (ii) be free of any security interests; and (iii) rank equally in all respects with the other Shares on issue in our Company as at the date of issue and be subject to the terms of the Constitution, shareholders agreement (if any) and the Pre-IPO Performance Rights Plan.

9. Vesting

An offer may specify any (i) vesting conditions; or (ii) other vesting events, which must be satisfied before a Pre-IPO Performance Right vests (“**Vesting Conditions**”). Our Board may, in its absolute discretion, determine any: (i) Vesting Conditions; or (ii) other vesting events, or (iii) may waive any vesting conditions or events in its sole discretion, in respect of any Pre-IPO Performance Right. A Pre-IPO Performance Right will only vest on the occurrence or satisfaction of the Vesting Conditions or other vesting events specified in respect of that Pre-IPO Performance Right.

10. Lapse of Pre-IPO Performance Rights

An unvested Pre-IPO Performance Rights shall lapse immediately upon the following events:

- (a) if a Trigger Event (defined below) occurs in relation to a Pre-IPO Performance Right holder (or related Eligible Person), who is a Bad Leaver (defined below);
- (b) if a Trigger Event (defined below) occurs in relation to a Pre-IPO Performance Right holder (or related Eligible Person), who is a Good Leaver (defined below), unless the Board in its absolute discretion serves a notice in writing within 30 days of the Trigger Event on the Pre-

IPO Performance Rights Participant (Non-Lapse Notice), advising the Pre-IPO Performance Rights Participant that all or any of his or her unvested Pre-IPO Performance Rights have not lapsed;

- (c) where in the opinion of our Board in its absolute discretion any of the following occurs:
- (i) the Pre-IPO Performance Rights Participant acts, or has acted, fraudulently or dishonestly; or
 - (ii) the Pre-IPO Performance Rights Participant is in material breach of any of his or her duties or obligations to our Company or its related bodies corporate under the rules of the Pre-IPO Performance Rights Plan or otherwise; or
 - (iii) an event has occurred which in the Board's absolute discretion would result in the Participant obtaining an inappropriate benefit if the rights of our Company under this clause are not exercised.

Our Company may also require Pre-IPO Performance Rights to be exercised or lapse if a Liquidity Event (defined below) is to occur, if:

- (a) our Company expects a Liquidity Event (defined below) to occur; or
- (b) a Liquidity Event (defined below) whether or not anticipated by our Company does occur,

and in such circumstances our Company may, by notice to all Pre-IPO Performance Right holders, require that all outstanding performance either be exercised:

- (i) on or before the Exit Date (defined below) pertaining to the relevant Liquidity Event; or
- (ii) in the case of an unanticipated Liquidity Event, a date after the Exit Date for that event,

or if they are not exercised to lapse on a date specified by the Board in its absolute discretion.

For the purpose of the Pre-IPO Performance Rights Plan:

- (a) “**Exit Date**” means each of:
- (i) in respect of an IPO, the date of admission of the Company or a special purpose vehicle formed for the purpose of a Listing which directly or indirectly (including through one or more interposed entities) owns at least 50 per cent of the capital of our Company, to the official list of ASX Limited or any other recognised stock exchange;
 - (ii) in respect of a Share Sale, the date on which the parties complete the sale and purchase of the Shares; or
 - (iii) in respect of a Business Sale, the date of the first distribution to Shareholders arising from the Business Sale.

- (b) **“Bad Leaver”** means an Eligible Person whose employment or engagement with our Company or member of our Company due to the termination of employment or engagement or vacation of office of such Eligible Person where such Eligible Person;
- (aa) is engaged in serious or wilful misconduct; or
 - (bb) is or has been seriously negligent in the performance of their duties; or
 - (cc) committed a serious breach of their employment contract; or
 - (dd) committed an act, whether at work or otherwise, which brings our Company into disrepute; or
 - (ee) has been convicted of an offence punishable by imprisonment; or
 - (ff) are as a result of circumstances other than those set out in the definition of “Good Leaver”.
- (c) **“Good Leaver”** means the employment or engagement of an Eligible Person with our Company ceases as a result of circumstances other than those set out in the definition of “Bad Leaver”; or our Board in its absolute discretion determines the participant to be a Good Leaver.
- (d) **“Liquidity Event”** means
- (i) an initial public offering of a member of our Company or its subsidiary (**“Group”**) or a special purpose vehicle formed for the purpose of a listing which directly or indirectly (including through one or more interposed entities) owns at least 50 per cent of the capital of our Company to the official list of the ASX Limited or any other recognised stock exchange (**“IPO”**);
 - (ii) a sale to a third party purchaser of all (or substantially all) of the assets and business undertaking of our Company (including by way of a sale of Shares of our Company’s subsidiaries) provided that no sale or transfer undertaken to effect a corporate reorganisation of our Company will constitute a Business Sale (**“Business Sale”**); or
 - (iii) a sale by Shareholders (in one transaction or a series of connected transactions) to a third party purchaser of all of the issued Shares provided that no sale or transfer undertaken to effect a corporate reorganisation of our Company will constitute a Share Sale (**“Share Sale”**).
- (e) **“Trigger Event”** means when an Eligible Person whose employment with our Company or members of our Company ceases.

11. Cancellation of Pre-IPO Performance Rights and suspension and cancellation of the plan

Our Board may, in its absolute discretion on a Liquidity Event, cancel some or all of the Pre-IPO Performance Rights (whether vested or not) in exchange for their market value in accordance with the Pre-IPO Performance Rights Plan. Our Board may also from time to time suspend the operation of the

Pre-IPO Performance Rights Plan and may at any time cancel the Pre-IPO Performance Rights Plan. The suspension or cancellation of the Pre-IPO Performance Rights Plan must not prejudice any existing rights of Pre-IPO Performance Rights Participants.

12. Reorganisation events

“**Reorganisation Event**” means any one or more of the following:

- (a) a distribution of cash or securities by way of a return of capital;
- (b) a bonus issue of Shares by our Company;
- (c) a share split, consolidation or other similar action in respect of the share capital of our Company; or
- (d) any other internal reorganisation, recapitalisation, reclassification or similar event with respect to the share capital of our Company.

Subject to this paragraph, the Pre-IPO Performance Rights Plan continues to apply in full force and effect despite any Reorganisation Event. If any Reorganisation Event occurs before all Pre-IPO Performance Rights capable of vesting in favour of the Pre-IPO Performance Right holder have vested in favour of that Pre-IPO Performance Right holder, our Company will procure that the terms of the Pre-IPO Performance Rights Plan are varied in such a way as determined by our Board in its absolute discretion, which neither disadvantages nor advantages that Pre-IPO Performance Right holder nor adversely affects the rights of the other holders of Shares, to account for the effect of the Reorganisation Event. Each Pre-IPO Performance Right holder and Eligible Person agrees to any such variations to the Pre-IPO Performance Rights Plan.

13. Alteration or amendment of the Pre-IPO Performance Rights Plan

The Pre-IPO Performance Rights Plan may be amended from time to time by resolution of the Board subject to the requirements of the Australian Corporations Act from time to time. Any such amendment however, must not adversely affect the rights of Pre-IPO Performance Rights Participants or Pre-IPO Performance Right holders in respect of Pre-IPO Performance Rights granted prior to such amendment without the consent of those Participants and Pre-IPO Performance Right holders (as applicable), unless such amendment is required by, or necessitated by law, the Australian Corporations Act, or any clauses of any other recognised stock exchange, any other relevant law or to address potential adverse tax implications affecting the Pre-IPO Performance Rights Plan arising from changes to laws relating to taxation, the interpretation of laws relating to taxation by the relevant governmental authorities (including the release of any ruling), courts or tribunals.

14. General

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, new Shares underlying any awards which may be granted pursuant to the Pre-IPO Performance Rights Plan.

As at the Latest Practicable Date, 60,160 Pre-IPO Performance Rights had been granted by our Company pursuant to the Pre-IPO Performance Rights Plan. On 20 April 2018, our Company granted an additional 11,481 Pre-IPO Performance Rights under the Pre-IPO Performance Rights Plan to certain members of the Council and certain Directors, including (i) Mr. Jing Li, our non-executive Director, and (ii) Professor Brian James Stoddart and Professor Steven Schwartz, being our independent non-executive Directors and members of the Council. The shareholding of each of Professor Brian James Stoddart and Professor Steven Schwartz in our Company will not be more than 1% of the enlarged share capital of our Company upon completion of the Global Offering assuming that they are fully vested (without taking into account any shares of our Company which may be issued upon the exercise of the Over-allotment Option and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme).

Our Company will issue announcements according to the applicable Listing Rules, disclosing particulars of any Pre-IPO Performance Rights vested under the Pre-IPO Performance Rights Plan, including the date of vesting, number of Shares involved and compliance with Chapter 14A of the Listing Rules. Details of the Pre-IPO Performance Rights Plan, including particulars and movements of the Pre-IPO Performance Rights granted during each financial year of our Company, and our employee related costs arising from the grant of the Pre-IPO Performance Rights will be disclosed in our annual and interim reports.

15. Potential dilution effect

The maximum aggregate number of Shares underlying all grants of Pre-IPO Performance Rights pursuant to the Pre-IPO Performance Rights Plan is 143,282,000 Shares assuming the total of 71,641 Pre-IPO Performance Rights are fully vested after the completion of the share split could incur a dilution of approximately 5.4% of the shareholding of the Shareholders immediately following the Listing (without taking into account any Shares to be issued upon the exercise of the Over-allotment Option and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme).

Outstanding Pre-IPO Performance Rights

As at the Latest Practicable Date, we had granted an aggregate of 60,160 Pre-IPO Performance Rights to one grantee under the Pre-IPO Performance Rights Plan, namely Dr. Zhu, our executive Director. On 20 April 2018, our Company granted an additional 11,481 Pre-IPO Performance Rights under the Pre-IPO Performance Rights Plan to certain members of the Council and certain Directors as mentioned above and with the details set out below. No additional Pre-IPO Performance Rights will be granted under the Pre-IPO Performance Rights Plan on or after the Listing.

The total number of Shares underlying the 71,641 Pre-IPO Performance Rights assuming the 71,641 Pre-IPO Performance Rights are fully vested after the completion of the share split represents approximately 5.7% of the enlarged share capital of our Company upon completion of the Global Offering (without taking into account any shares of our Company which may be issued upon the exercise of the Over-allotment Option and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme). As at the Latest Practicable Date, no Share had been allotted and issued under the Pre-IPO Performance Rights Plan.

Details of the Grantees under the Pre-IPO Performance Rights Plan

As at the Latest Practicable Date, we had granted 60,160 Pre-IPO Performance Rights to one grantee, namely Dr. Zhu (being our executive Director) under the Pre-IPO Performance Rights Plan, the details of which are as follows:

<u>Name of grantee</u>	<u>Position held within our Group</u>	<u>Consideration paid for the grant</u>	<u>Number of Shares underlying the Pre-IPO Performance Rights granted before the share split on 24 April 2018</u>	<u>Date of grant</u>	<u>Approximate percentage of issued Shares immediately upon completion of the share split on 24 April 2018 and the Global Offering</u>
Dr. Zhu	Executive Director, chairman of the Board and chief executive officer	Nil	60,160	10 June 2017	4.79%

Our Company has on 20 April 2018 granted an additional 11,481 Pre-IPO Performance Rights under the Pre-IPO Performance Rights Plan to the following grantees, the details of which are as follows:

<u>Name of grantee</u>	<u>Position held within our Group</u>	<u>Consideration paid for the grant</u>	<u>Number of Shares underlying the Pre-IPO Performance Rights granted before the share split on 24 April 2018</u>	<u>Date of grant</u>	<u>Approximate percentage of issued Shares immediately upon completion of the share split on 24 April 2018 and the Global Offering</u>
Mr. Jing Li	Non-executive Director	Nil	2,296	20 April 2018	0.18%
Professor Brian James Stoddart	Independent non-executive Director and member of the Council	Nil	2,296	20 April 2018	0.18%
Professor Steven Schwartz	Independent non-executive Director and member of the Council	Nil	2,296	20 April 2018	0.18%
Mr. Sean Gregory	Member of the Council	Nil	2,296	20 April 2018	0.18%
Professor Stephen Nicholas	Member of the Council	Nil	1,033	20 April 2018	0.08%
Professor John Hearn	Member of the Council	Nil	1,033	20 April 2018	0.08%
Dr. Le Ma	Member of the Council	Nil	231	20 April 2018	0.02%

Note: The above tables assume 2,513,428,000 Shares are issued and outstanding as at completion of the Global Offering, but without taking into account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any Shares to be issued upon the vesting of the performance rights granted under the Pre-IPO Performance Rights Plan and any Shares to be issued upon the exercise of any options granted under the Share Option Scheme.

Consideration Paid for the Grant of performance rights and the Vesting Period of the performance rights Granted under the Pre-IPO Performance Rights Plan

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

We shall ensure compliance with the minimum public float requirement in Rule 8.08 of the Listing Rules.

F. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted under the written resolutions of our Shareholders passed on 18 April 2018:

1. Purpose

The purpose of the Share Option Scheme is to enable our Company to grant options to selected participants as incentives or rewards for their contribution to our Company or subsidiaries (“**Group**”).

2. Who may join

Our Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants, to take up options to subscribe for Shares:

- (a) any employee or proposed employee (whether full-time or part-time and including any executive director), consultants or advisers of or to our Company, any of its subsidiaries or any entity (“**Invested Entity**”) in which our Group holds an equity interest;
- (b) any non-executive directors (including independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity;
- (c) any Council Member of our Company;
- (d) any supplier of goods or services to any member of our Group or any Invested Entity;
- (e) any customer of our Group or any Invested Entity;
- (f) any person or entity that provides research, development or other technological support to our Group or any Invested Entity; and
- (g) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity.

For the purposes of this Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of Participants. For the avoidance of doubt, (i) our Company has no obligation to make any offer to any Participant and/or to accept any acceptance of the offer by any Participant if to do so would require our Company to issue a disclosure document under Chapter 6D of the Corporations Act or a product disclosure statement under Chapter 7 of the

Corporations Act or any applicable laws, and (ii) the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of the above classes of Participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under this Scheme.

The basis of eligibility of any of the above classes of participants to the grant of any options shall be determined by our Directors from time to time on the basis of the participants' contribution to the development and growth of our Group. In order for a person to satisfy our Directors that he is qualified to be (or where applicable, continues to qualify to be) a participant, such person shall provide all such information as our Directors may request for the purpose of assessing his eligibility (or continuing eligibility).

3. *Maximum number of Shares*

- (a) The maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Group must not in aggregate exceed 30% of our Company's issued share capital from time to time. No options may be granted under any schemes of our Company or the subsidiary of our Company if such grant will result in the maximum number being exceeded.
- (b) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Group) must not in aggregate exceed 10% of the total number of Shares in issue at the time dealings in the Shares first commence on the Stock Exchange (excluding the Shares which may be issued pursuant to the exercise of the options that may be granted under the Share Option Scheme) which amounts to 251,342,800 Shares (the "**General Mandate Limit**").
- (c) Subject to (a) above and without prejudice to (d), our Company may issue a circular to its shareholders in compliance with Note (1) to Rule 17.03(3) and Rule 17.06 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules and seek approval of its shareholders in general meeting to refresh the General Mandate Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for the purpose of calculating the limit, options (including those outstanding, cancelled or lapsed in accordance with the Share Option Scheme or exercised options) previously granted under the Share Option Scheme and any other share option scheme of our Group will not be counted.
- (d) Subject to (a) above and without prejudice to (c) above, our Company may issue a circular to its shareholders in compliance with Note (1) to Rule 17.03(3) and Rule 17.06 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules and seek separate shareholders' approval in general meeting to grant options beyond the General Mandate Limit or, if applicable, the refreshed limit referred to in (c) above to participants specifically identified by our Company before such approval is sought.

4. *Maximum entitlement of each participant and connected persons*

- (a) Unless approved by our Shareholders, the total number of Shares issued and to be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of our Group (including both exercised and outstanding options) to each participant in any 12-month period must not exceed 1% of the Shares in issue (the “**Individual Limit**”).
- (b) Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our Shareholders in compliance with the Note to Rule 17.03(4) and Rule 17.06 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules and the approval of our Shareholders in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before the Shareholders’ approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note (1) to Rule 17.03(9) of the Listing Rules.
- (c) In addition to our Shareholders’ approval set out in Note (1) to Rule 17.03(3) and Note to Rule 17.03(4) of the Listing Rules, each grant of options under the Share Option Scheme or any other share option scheme of our Group to a Director, chief executive or substantial Shareholder or any of their respective associates must be approved by our independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options).
- (d) Where any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Share Option Scheme or any other share option schemes of our Group to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate more than 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved by the Shareholders. Our Company must send a circular to our Shareholders. All of the connected persons must abstain from voting in favour at such general meeting. Any core connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such option must be taken on a poll.

5. *Minimum period of holding an option and performance target*

Our Directors may, at their absolute discretion, fix any minimum period for which an option must be held, any performance targets that must be achieved and any other conditions that must be fulfilled before the options can be exercised upon the grant of an option to a participant.

6. *Subscription price for Shares*

The subscription price of a Share in respect of any option granted under the Share Option Scheme, subject to any adjustments made in accordance with the Share Option Scheme, shall be such price as the Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five Business Days immediately preceding the date of grant of the option (which must be a Business Day); (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a Business Day); and (iii) the nominal value of the Share. A consideration of AUD\$1.00 is payable on acceptance of the offer of the grant of an option.

7. *Rights are personal to grantee*

An option granted under the Share Option Scheme shall not be transferable or assignable and is personal to the grantee.

8. *Time of exercise of option*

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option.

9. *Rights on ceasing employment or death*

If the grantee of an option, who is an employee of the Group or any Invested Entity at the time of the grant of the option, ceases to be an employee of our Group or Invested Entity for any reason other than death, ill-health or retirement in accordance with his contract of employment or certain other grounds, before exercising the option in full, the option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless our Directors otherwise determine, in which case the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation or termination, which date shall be the last day on which the grantee was actually at work with the Group or the relevant Invested Entity, whether salary is paid in lieu of notice or not. Failing such exercise, the option will lapse.

If the grantee of an option, who is an employee of our Group or any Invested Entity at the time of the grant of the option, ceases to be an employee of our Company or Invested Entity by reason of death, ill-health or retirement in accordance with his contract of employment, before exercising the option in full, the grantee or, if appropriate, his lawful personal representative(s) may exercise the option in whole or in part (to the extent not already exercised) within a period of 12 months following the date of cessation of employment which date shall be the last day on which the grantee was at work with our Group or any Invested Entity, whether salary is paid in lieu of notice or not (or such longer period as our Directors may determine), failing which it will lapse.

10. *Rights on a general offer, a compromise or arrangement*

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or

concert with the offeror, our Company shall use all reasonable endeavors to procure that such offer is extended to all the grantees (or his personal representative(s)) on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional or such scheme of arrangement is formally proposed to our Shareholders, a grantee (or his personal representative(s)) shall, notwithstanding any other terms on which his options were granted, be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be.

11. Rights on winding-up

In the event of an effective resolution being proposed for the voluntary winding-up of our Company during the option period, the grantee of an option (or his personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to our Company elect to exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice within two business days prior to the proposed general meeting of our Company considering such winding up, such notice to be accompanied by the subscription price for the Shares in respect of which the notice is given, whereupon the grantee will be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his options, to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date of commencement of the winding-up of our Company.

12. Ranking of Shares

The Shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of our memorandum of association and our Constitution for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee has been duly entered on the register of members of our Company as the holder thereof.

13. Period of the Share Option Scheme

Unless terminated by our Company by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

14. Alteration of the Share Option Scheme

The Share Option Scheme may be altered in any respect by a resolution of the Board except that any material alteration to its terms and conditions, any change to the terms of options granted (except for changes which automatically take effect under the existing terms of the Share Option Scheme) and the matters contained in the relevant provisions of the Listing Rules shall not be altered to the advantage of the grantees or prospective grantees without the prior sanction of any resolution of our Company in general meeting.

The amended terms of the Share Option Scheme or the options must still comply with the applicable requirements under the Listing Rules. Any change to the authority of our Directors or scheme administrators (if applicable) in relation to any alteration to the terms of the Share Option Scheme must be approved by our Shareholders in general meeting.

15. Effect of alterations to capital

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital or otherwise howsoever, then, in any such case, our Company shall instruct the auditors for the time being or an independent financial adviser to our Company to certify in writing the adjustment, if any, to be made either generally or as regards any particular grantee, to (a) the number of Shares to which the Share Option Scheme or any option(s) relates (insofar as it is/they are unexercised), and/or (b) the subscription price of any unexercised option, and/or (c) the maximum number of Shares referred to in the subparagraph headed “Maximum number of Shares” above, and (d) an adjustment as so certified by the auditors or the independent financial adviser to our Company shall be made, provided that (i) any such adjustment shall be made on the basis that the aggregate subscription price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iii) no such adjustment shall be made the effect of which would be to increase the proportion of the issued share capital of our Company for which any grantee would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustment; (iv) the issue of Shares or securities of our Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and (v) for the avoidance of doubt, any adjustments shall be made in compliance with the Listing Rules and the “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rules 23.03(13) and the note immediately after the rule” set out in the letter from the Stock Exchange to all listed issuers dated 5 September 2005 or other relevant guidance as the Stock Exchange may from time to time issue. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements that they give a participant the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled.

16. Cancellation of options

Our Directors may effect the cancellation of any options granted but not exercised on such terms as may be agreed with the relevant grantee, as our Directors may in their absolute discretion see fit and in a manner that complies with all applicable legal requirements for cancellation. Where our Company

cancels any options granted and offers to grant or grants new options to the same grantee, the offer or grant of such new options may only be made under the Share Option Scheme if there are available unissued options (excluding the cancelled options) within each of the limits as referred of in the subparagraph headed “Maximum Number of Shares” above.

17. Conditions of the Share Option Scheme

The Share Option Scheme is conditional on (i) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares on the main board of the Stock Exchange, which Shares may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme; (ii) upon the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any conditions by the Joint Global Coordinators, for themselves and on behalf of the Underwriters) and such obligation not being terminated in accordance with the terms of the Underwriting Agreements; and (iii) the commencement of dealings in the Shares on the Stock Exchange.

18. Termination of the Share Option Scheme

Our Company may by resolution in general meeting at any time terminate the operation of Share Option Scheme and in such event no further options will be offered but in all other respects the provisions of Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any outstanding options granted prior to such termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme and outstanding options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme.

Details of the options granted, including options exercised or outstanding, under Share Option Scheme and (if applicable) options that become void or non-exercisable as a result of the termination must be disclosed in the circular to shareholders of our Company seeking approval of the first new scheme to be established after such termination.

19. Status of the Listing Rules

The Share Option Scheme shall comply with the Listing Rules as amended from time to time. In the event that there are differences between the terms of the Share Option Scheme and the Listing Rules, the Listing Rules shall prevail. No offer of option or no Share may be issued to a Participant if to do so would contravene the Listing Rules, the Corporations Act, the Constitution or any applicable law in Australia, Hong Kong or other relevant jurisdictions.

20. Present status of the Share Option Scheme

As at the date of this prospectus, no option has been granted or agreed to be granted under the Share Option Scheme. Application has been made to the Listing Committee for the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of any options granted under the Share Option Scheme, as described above.

G. OTHER INFORMATION**1. Tax and Other Indemnity**

Our Controlling Shareholders entered into the Deed of Indemnity (being the contract referred to in the paragraph headed “— B. Further Information About Our Company — 1. Summary of material contracts” in this Appendix) to provide indemnities in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received as well as any property claim to which any member of our Company may be subject and payable on or before the date when the Global Offering becomes unconditional.

2. Litigation

As at the Latest Practicable Date, save as disclosed in the section headed “Business — Legal and Administrative Proceedings” in this prospectus, we were not involved in any litigation, arbitration, administrative proceedings or claim of material importance and no litigation, arbitration, administrative proceedings or claim of material importance was known to our Directors to be pending or threatened by or against us.

3. The Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules and has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

The Sole Sponsor’s fee is approximately HK\$5.5 million and is payable by our Company.

4. Preliminary Expenses

The estimated preliminary expenses incurred or proposed to be incurred by our Company are approximately AUD\$473 (equivalent to approximately HK\$2,930) and were paid by our Company.

5. Promoters

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding to the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given to, or is proposed to be paid, allotted or given to, any promoter in connection with the Global Offering or the related transactions described in this prospectus.

6. *Qualification of Experts*

The qualifications of the experts (as defined under the Listing Rules) who have given their opinions or advice in this prospectus are as follows:

<u>Name</u>	<u>Qualifications</u>
China Galaxy International Securities (Hong Kong) Co., Limited	A licenced corporation carrying on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified public accountants in Hong Kong
Deutsch Miller	Legal advisers as to Australia law
Ipsos Limited	Industry consultant

7. *Consents*

Each of China Galaxy International Securities (Hong Kong) Co., Limited, Ernst & Young, Deutsch Miller and Ipsos has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or opinions and/or the references to their names included in this prospectus in the form and context in which they are respectively included.

None of the experts named above has any shareholding interests in any member of our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Company.

8. *Share Register*

Our share register will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the share registrar.

9. *Miscellaneous*

Save as disclosed in this prospectus:

- (a) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought from any other stock exchange;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued or agreed to issue any founder shares, management shares or deferred shares;

- (d) our Company has no outstanding convertible debt securities;
- (e) within the two years preceding the date of this prospectus, no commissions, discounts, brokerages or other special items have been granted in connection with the issue or sale of any share or loan capital of our Company and our Company has not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (f) within the two years preceding the date of this prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in or debentures of our Company;
- (g) since 31 October 2017 (being the date to which the latest audited financial information of our Company was made up), there has been no material adverse change in the financial or trading position or prospects of our Company;
- (h) our Company does not have any authorised debentures;
- (i) there is no arrangement under which future dividends are waived or agreed to be waived;
- (j) the Global Offering does not involve the exercise of any right of pre-emption or the transfer of subscription rights;
- (k) there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this prospectus;
- (l) the English text of this prospectus shall prevail over the Chinese text; and
- (m) our Company is not presently listed on any stock exchange or traded on any trading system.

10. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were copies of the written consents referred to in the section headed “Appendix IV — G. Other Information — 7. Consents” in this prospectus and copies of the material contracts referred to in the section headed “Appendix IV — B. Further Information About Our Company — 1. Summary of Material Contracts” in this prospectus and a copy of each of the **WHITE**, **YELLOW** and **GREEN** Application Forms.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Kwok Yih & Chan of Suites 2103–05, 21st Floor, 9 Queen’s Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Constitution;
- (b) the accountants’ report prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus;
- (c) the unaudited pro forma financial information of our Company from Ernst & Young, the text of which is set out in Appendix II to this prospectus;
- (d) the audited financial statements of the companies comprising our Company for each of the three financial years ended 30 June 2015, 2016 and 2017 and the four months ended 31 October 2017;
- (e) the material contracts referred to in the section headed “Appendix IV — B. Further Information About Our Company — 1. Summary of Material Contracts” in this prospectus;
- (f) the service contracts and appointment letters referred to in the paragraph headed “Appendix IV — D. Further Information About Our Directors — 1. Directors’ Service Contracts” in this prospectus;
- (g) the written consents referred to in the paragraph headed “Appendix IV — G. Other Information — 7. Consents” in this prospectus;
- (h) the Australian legal opinions issued by Deutsch Miller, our Australian legal advisers, in respect of certain aspects of Australian laws;
- (i) the Ipsos Report;
- (j) the rules of the Pre-IPO Performance Rights Plan; and
- (k) the rules of the Share Option Scheme.

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Top Education Group Ltd

澳洲成峰高教集團有限公司