



TOP EDUCATION GROUP LTD

Executive Directors:

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

Non-executive Directors:

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

Independent Non-executive Directors:

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

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business and head office in Australia:*

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30 May 2025

To the Shareholders

Dear Sir/Madam,

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

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

The purpose of this circular is to provide you with, among other things (i) details of the Share Buy-Back Agreement and the transactions contemplated thereunder; (ii) a letter from the Listing Rules IBC giving its recommendation to the Independent Shareholders in respect of the Share Buy-Back; (iii) a letter from the Takeovers Code IBC giving its recommendation to the Independent Shareholders in respect of the Share Buy-Back; (iv) a letter from the Independent Financial Adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in respect of the Share Buy-Back; (v) a report from the Independent Expert on the valuation of the Buy-Back Shares; (vi) a report on the qualifications of the Independent Expert and the valuation of the Buy-Back Shares by the Financial Adviser, as required under Rule 11.1(b) of the Takeovers Code; (vii) a notice of the EGM; and (viii) other information as required under the Listing Rules, the Takeovers Code, the Share Buy-Backs Code, the Australian Corporations Act and ASIC Regulatory Guide 110.

Top Education Group Ltd

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

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INTRODUCTION

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

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

THE SHARE BUY-BACK AGREEMENT

Date

7 April 2025

Parties

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

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

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

The Buy-Back Shares

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

The Consideration

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



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

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

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

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



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the transactions contemplated thereunder to be borne equally by the Company and PwC Nominees.

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

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

Conditions precedent

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

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

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

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

If any of the conditions above has not been satisfied (or waived (if applicable)) on or before 5:00 p.m. (Sydney time) on the Long Stop Date, the Share Buy-Back Agreement shall terminate and shall



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be of no further force or effect, and no party shall have any claim against or liability to any other party for costs, damages, compensation or otherwise arising under any provision of, or in respect of the termination of, the Share Buy-Back Agreement, other than in respect of any pre-existing breach of the Share Buy-Back Agreement.

Completion

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

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

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

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

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

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



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Notes:

1. PwC Nominees is the registered owner of the Buy-Back Shares and holds the Buy-Back Shares as bare trustee for PwC Australia as the sole beneficiary of a trust under a trust arrangement between PwC Nominees and PwC Australia. Accordingly, PwC Australia is deemed to be interested in 264,708,000 Shares held by PwC Nominees as nominee and bare trustee by virtue of the disclosure requirements of the SFO.
2. Mr. Jian Ying Hang and Mr. Qiu Wen Lu jointly hold approximately 55.09% in Guoli Minsheng and Guoli Minsheng directly holds 351,180,000 Shares. Accordingly, Mr. Jian Ying Hang and Mr. Qiu Wen Lu are deemed to be interested in 351,180,000 Shares held by Guoli Minsheng by virtue of the disclosure requirements of the SFO.
3. Minsheng Education Group Company Limited (民生教育集團有限公司) (stock code: 1569) (“**Minsheng Education Group**”), is the sole shareholder of Minsheng Education Development Company Limited (“**Minsheng Education Development**”), which directly holds 209,000,000 Shares, and accordingly, Minsheng Education Group is deemed to be interested in 209,000,000 Shares held by Minsheng Education Development by virtue of the disclosure requirements of the SFO.
4. Mr. Qingquan Yang directly holds 153,862,000 Shares. Billion Glory, which is wholly-owned by Mr. Qingquan Yang, directly holds 211,902,000 Shares. Accordingly, Mr. Qingquan Yang is deemed to be interested in 211,902,000 Shares held by Billion Glory by virtue of the disclosure requirements of the SFO. Further, Ms. Shuling Chen, the spouse of Mr. Qingquan Yang, is deemed to be interested in the shareholding interests of Mr. Qingquan Yang by virtue of the disclosure requirements of the SFO.
5. Ms. Xing Shi Huang is the widow of the late Dr. Minshen Zhu, who beneficially owned 228,506,000 Shares and the entitlement to receive up to 120,320,000 Shares pursuant to the exercise of performance rights granted to Dr. Minshen Zhu under the Pre-IPO Performance Rights Plan of the Company. Such Shares and entitlement form part of Dr. Minshen Zhu’s estate. Pursuant to letters of administration granted by the Supreme Court of New South Wales on 24 January 2022, Ms. Xing Shi Huang was appointed as administrator of Dr. Minshen Zhu’s estate. As such, Ms. Xing Shi Huang is deemed to be interested in the 348,826,000 Shares within the meaning of Part XV of the SFO.
6. Ms. Josephine Kam Shan Lam, the spouse of Dr. Amen Kwai Ping Lee, is deemed to be interested in the shareholding interests of Dr. Amen Kwai Ping Lee by virtue of the disclosure requirements of the SFO.
7. The shareholding information of the Shareholders (other than the Directors) as at the Latest Practicable Date is based on the latest disclosure of interests notices filed by the relevant Shareholders pursuant to Part XV of the SFO.
8. The numbers and percentages in the table may not add up due to rounding.

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

FINANCIAL EFFECTS OF THE SHARE BUY-BACK

Effect on Earnings per Share

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



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Effect on NAV per Share

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

Effect on Liabilities

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

Effect on Working Capital

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

INFORMATION ON THE PARTIES

The Company

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

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

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

The Group's revenue increased by approximately 16.5% from approximately AUD13.7 million for the six months ended 31 December 2023 to approximately AUD16.0 million for the six months ended 31 December 2024. The increase in revenue was mainly due to the increase in student



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

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

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

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

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

The PwC Group

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

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



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beneficiary of a trust under a trust arrangement between PwC Nominees and PwC Australia.

REASONS FOR AND BENEFITS OF THE SHARE BUY-BACK

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

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

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

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

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



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ADDITIONAL DISCLOSURES

As at the Latest Practicable Date:

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

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

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

The Share Buy-Backs Code

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



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The Takeovers Code

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

Listing Rules

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

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

Australian Corporations Act

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

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

Pursuant to section 257G of the Australian Corporations Act, the Company must provide shareholders with all information known to it that is material to the decision as to whether to



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approve the Share Buy-Back or not. This circular is given for that purpose and the Directors believe that this circular contains all information material and necessary for the Shareholders to make an informed decision.

LISTING RULES IBC AND TAKEOVERS CODE IBC

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

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

INDEPENDENT FINANCIAL ADVISER

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

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

INDEPENDENT EXPERT

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

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

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

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



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EGM

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

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

EGM AND PROXY ARRANGEMENT

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

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

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

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges (<http://www.hkexnews.hk>) and the Company (<https://www.top.edu.au>). Whether or not you intend to attend the EGM, you are requested to submit your proxy appointment by completing and signing the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 12:00 p.m. (Hong Kong time) on Monday, 30 June 2025) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting (whether physically or by means of electronic facilities) at the EGM (or any adjournment thereof) if you so wish.

The EGM will be held on Wednesday, 2 July 2025. For determining the entitlement of the Shareholders to attend and vote at the meeting, the register of members of the Company will be closed from Thursday, 26 June 2025 to Wednesday, 2 July 2025, both dates inclusive, during which period no transfer of Shares will be registered, and the record date for the EGM will be Wednesday, 2 July 2025. In order to be eligible to attend and vote at the EGM, unregistered



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holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Wednesday, 25 June 2025.

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

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

APPOINTMENT OF CORPORATE REPRESENTATIVE OR ATTORNEY

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

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

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

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

RECOMMENDATION

The Directors (including (i) the members of the Listing Rules IBC whose views are set out in its letter after having considered the advice and recommendation of the Independent Financial Adviser and the Independent Expert; and (ii) the members of the Takeovers Code IBC whose views are set out in its letter after having considered the advice and recommendation of the Independent Financial Adviser) are of the view that, although not entered into in the ordinary and usual course of business of the Group, the terms of the Share Buy-Back Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Share Buy-Back Agreement and the transactions contemplated thereunder.

Having taken into account the advice of the Independent Financial Adviser and the Independent Expert, the Listing Rules IBC recommends the Independent Shareholders to vote in favour of the



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

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

FURTHER INFORMATION

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

WARNING

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

Yours faithfully,
For and on behalf of the Board
Top Education Group Ltd

Dr. Amen Kwai Ping Lee
Chairperson