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TOP EDUCATION GROUP LTD

澳洲成峰高教集團有限公司

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

(ACN 098 139 176)

(Stock code: 1752)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2023

FINANCIAL HIGHLIGHTS

- Group's revenue increased by approximately 43.6% to approximately AUD\$26.8 million.
- Gross profit was approximately AUD\$11.8 million, rose by approximately 55.6%.
- Profit for the year was approximately AUD\$1.1 million, representing a turnaround as compared to the loss of approximately AUD\$1.3 million.
- Total EFTSL of the students rose by approximately 41.6% to 1,344.2.
- Proposed final dividend is HK0.1 cents (2022: Nil) per ordinary share, subject to approval by the shareholders in the forthcoming AGM.

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended 30 June 2023 together with the comparative figures for the corresponding period in 2022 as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2023

	Notes	2023 AUD\$'000	2022 AUD\$'000
REVENUE	4	26,848	18,697
Cost of sales		<u>(15,056)</u>	<u>(11,121)</u>
Gross profit		11,792	7,576
Interest income		513	58
Other income and gains	4	314	1,127
Administrative expenses		(7,291)	(7,273)
Advertising and marketing expenses		(2,752)	(1,988)
Other operating expenses		–	(301)
Finance costs	6	<u>(786)</u>	<u>(835)</u>
PROFIT/(LOSS) BEFORE TAX	5	1,790	(1,636)
Income tax (expense)/credit	7	<u>(702)</u>	<u>308</u>
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,088</u>	<u>(1,328)</u>
Profit/(Loss) Attributable to:			
Owners of the Company		1,113	(1,299)
Non-controlling interests		<u>(25)</u>	<u>(29)</u>
		<u>1,088</u>	<u>(1,328)</u>
EARNINGS PER SHARE FOR PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic earnings/(loss) per share (AUD cents)	9	<u>0.046</u>	<u>(0.054)</u>
Diluted earnings/(loss) per share (AUD cents)	9	<u>0.044</u>	<u>(0.054)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	<i>Notes</i>	2023 AUD\$'000	2022 <i>AUD\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	8,891	9,824
Intangible assets		9,492	11,165
Right-of-use assets	<i>11</i>	10,539	12,456
Prepayments and deposits		1,188	1,188
Goodwill	<i>12</i>	1,533	1,533
Total non-current assets		31,643	36,166
CURRENT ASSETS			
Trade receivables	<i>13</i>	344	550
Prepayments, other receivables and other assets		2,520	3,249
Tax receivable		–	793
Cash and cash equivalents		41,732	33,225
Total current assets		44,596	37,817
CURRENT LIABILITIES			
Trade payables	<i>14</i>	2,615	2,022
Other payables and accruals		3,290	3,432
Lease liabilities	<i>11</i>	2,128	1,179
Contract liabilities		5,982	3,862
Tax payable		355	–
Total current liabilities		14,370	10,495
NET CURRENT ASSETS		30,266	27,322
TOTAL ASSETS LESS CURRENT LIABILITIES		61,869	63,488
NON-CURRENT LIABILITIES			
Lease liabilities	<i>14</i>	12,412	15,056
Deferred tax liability		193	561
Other payables and accruals		339	348
Total non-current liabilities		12,944	15,965
Net assets		48,925	47,523
EQUITY			
Share capital		36,414	36,414
Treasury shares		(2,236)	(2,236)
Reserves		14,338	12,911
Non-controlling interests		409	434
Total equity		48,925	47,523

1. CORPORATE AND GROUP INFORMATION

The consolidated financial statements of Top Education Group Ltd (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 25 September 2023.

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

The Group is principally engaged in providing private higher education services and English language courses in Australia. Further information on the nature of the operations and principal activities of the Group will be provided in the directors’ report. Information on other related party relationships of the Group is provided in note 28 of the Group’s annual report for the year ended 30 June 2023.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Top Education Consulting (Beijing) Limited*	PRC/Mainland China	HK\$3,000,000	100	–	Provision of education consulting services
Top Education Development Pty Ltd	Australia	AUD\$100	100	–	Provision of and investments in education services
Scots English College Pty Ltd	Australia	AUD\$550,000	85	–	Provision of English Language courses

* Top Education Consulting (Beijing) Limited is registered as a wholly-foreign-owned enterprise under PRC law.

2.1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These consolidated financial statements are presented in AUD\$ and all values are rounded to the nearest thousand (“**AUD\$’000**”), except when otherwise indicated.

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's consolidated financial statements.

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to IFRS Standards 2018-2020	<i>Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41</i>

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting (the “**Conceptual Framework**”) issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework. Furthermore, amendments clarify that contingent assets do not qualify for recognition at the acquisition date. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments occurred during the year, the amendments did not have any impact on the financial position and performance of the Group.
- (b) Amendment to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by IAS 2 Inventories, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 July 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e. g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e. g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 July 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) Annual Improvements to IFRS Standards 2018-2020 sets out amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41. Details of the amendment that is applicable to the Group are as follows:

IFRS 9 Financial Instruments: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 July 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

3. OPERATING SEGMENT INFORMATION

The Group has identified the Chief Executive Officer (“CEO”) and the Board of Directors as the chief operating decision makers. The Group has only one reporting segment being mainly engaged in provision of private higher education services and English course services in Australia.

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

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

No services provided to a single customer contributed 10% or more of the total revenue of the Group during the financial year.

4. REVENUE AND OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2023 <i>AUD\$’000</i>	2022 <i>AUD\$’000</i>
Revenue from contracts with customers		
Course fee income	25,044	17,048
Other service fee income	<u>1,804</u>	<u>1,649</u>
	<u>26,848</u>	<u>18,697</u>
Revenue from contracts with customers		
<i>(i) Disaggregated revenue information</i>		
Geographical markets		
Australia	<u>26,848</u>	<u>18,697</u>
Timing of revenue recognition		
Course fee income recognised over time	25,044	17,048
Others service fee income recognised over time	<u>1,804</u>	<u>1,649</u>
	<u>26,848</u>	<u>18,697</u>

(ii) Performance obligations

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

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

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2023 and 2022 are as follows:

	2023 <i>AUD\$'000</i>	2022 <i>AUD\$'000</i>
Contract liabilities	<u>5,982</u>	<u>3,862</u>

Contract liabilities include short-term advances received to render education services. All the other remaining performance obligations are expected to be recognised within one year.

No revenue recognised during the year related to performance obligations that were satisfied in prior years.

	2023 <i>AUD\$'000</i>	2022 <i>AUD\$'000</i>
Other income and gains		
Foreign exchange gains	2	26
Government grants (<i>Note</i>)	166	844
Others	<u>146</u>	<u>257</u>
	<u>314</u>	<u>1,127</u>

Note: government grants represent temporary subsidies from government to support businesses during the economic downturn associated with COVID-19, and the grants help Australian businesses grow their exports in international markets.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	<i>Notes</i>	2023 <i>AUD\$'000</i>	2022 <i>AUD\$'000</i>
Amortisation of intangible assets		2,247	2,032
Depreciation	<i>10</i>	1,022	1,062
Amortisation of right-of-use assets	<i>11</i>	1,917	1,917
Auditors' remuneration		262	247
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages, salaries and other employee benefits		6,665	6,078
Share-based payments		251	81
Pension scheme contributions (defined contribution schemes)		608	556
Less: Amount capitalised		(150)	(469)
		7,374	6,246
		7,374	6,246
Impairment allowance for trade receivables	<i>13</i>	16	44

6. FINANCE COST

	2023 <i>AUD\$'000</i>	2022 <i>AUD\$'000</i>
Interest on lease liabilities	786	835
	786	835
	786	835

7. INCOME TAX

The Group is subject to income tax on profits arising in or derived from the jurisdiction in which the Group is domiciled and operates. Profits tax has been provided at the Group's statutory tax rate of 25% for the year ended 30 June 2023 and the year ended 30 June 2022 on the estimated assessable profits.

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

	2023 <i>AUD\$'000</i>	2022 <i>AUD\$'000</i>
Current – Elsewhere		
Charge/(credit) for the year	1,038	(479)
(Overprovision)/Underprovision for current tax of prior periods	32	(134)
Deferred	(368)	305
	702	(308)
Total tax charge/(credit) for the year	702	(308)

A reconciliation of the tax expense applicable to profit before tax at the Group's statutory tax rate (statutory tax rate for the jurisdiction in which the Group is domiciled) to the tax charge at the Group's effective tax rate is as follows:

	2023		2022	
	AUD\$'000	%	AUD\$'000	%
Profit/(loss) before tax	<u>1,790</u>		<u>(1,636)</u>	
Tax at the Group's statutory tax rate of 25% for 2023 and 2022	448	25	(409)	25
Income not subject to tax	-	-	(176)	10.8
Expenses not deductible for tax	67	3.7	75	(4.6)
Reduction in opening deferred taxes resulting from reduction in tax rate	(1)	(0.1)	26	(1.7)
Others	188	10.5	87	(5.3)
Non-refundable non-carry forward tax offsets	-	-	89	(5.4)
Tax charge/(credit) at the Group's effective rate	<u>702</u>	<u>39.2</u>	<u>(308)</u>	<u>18.8</u>

8. DIVIDENDS

	2023	2022
	AUD\$'000	AUD\$'000
Final – Nil per ordinary share	<u>-</u>	<u>-</u>

Subsequent to the end of the reporting period, a final dividend of HK0.1 cents in respect of the year ended 30 June 2023 (2022: nil) per ordinary share has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. EARNINGS OR LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings or loss per share amount is based on the earnings for the year attributable to owners of the Company of AUD\$1,248,000 (2022: loss AUD\$1,299,000) and the weighted average number of ordinary shares of 2,394,512,000 (2022: 2,393,447,000) on issue during the year.

The calculation of the diluted earnings or loss per share amount is based on the profit or loss for the year attributable to owners of the Company. The weighted average number of shares used in the calculation is the number of shares on issue during the year, 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 year.

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

	2023	2022
	AUD\$'000	AUD\$'000
Earnings/(loss)		
Profit/(loss) attributable to owners of the Company	<u>1,113</u>	<u>(1,299)</u>

	Number of shares	
	2023	2022
	Ordinary shares	Ordinary shares
	'000	'000
Shares		
Weighted average number of shares in issue used in the basic earnings per share calculation	2,394,512	2,393,447
Effect of dilution – weighted average number of shares:		
Performance rights and share options	<u>140,890</u>	<u>–</u>
	<u>2,535,402</u>	<u>2,393,447</u>

10. PROPERTY, PLANT AND EQUIPMENT

	Teacher reference books <i>AUD\$'000</i>	Plant and equipment <i>AUD\$'000</i>	Classroom and office equipment <i>AUD\$'000</i>	Total <i>AUD\$'000</i>
30 June 2023				
At 30 June 2022 and 1 July 2022:				
Cost	345	3,136	10,157	13,638
Accumulated depreciation	<u>(297)</u>	<u>(1,390)</u>	<u>(2,127)</u>	<u>(3,814)</u>
Net carrying amount	<u>48</u>	<u>1,746</u>	<u>8,030</u>	<u>9,824</u>
At 1 July 2022, net of accumulated depreciation	48	1,746	8,030	9,824
Additions	8	65	16	89
Depreciation provided during the year	<u>(28)</u>	<u>(254)</u>	<u>(740)</u>	<u>(1,022)</u>
At 30 June 2023, net of accumulated depreciation	<u>28</u>	<u>1,557</u>	<u>7,306</u>	<u>8,891</u>
At 30 June 2023:				
Cost	352	3,201	10,172	13,725
Accumulated depreciation	<u>(324)</u>	<u>(1,644)</u>	<u>(2,866)</u>	<u>(4,834)</u>
Net carrying amount	<u>28</u>	<u>1,557</u>	<u>7,306</u>	<u>8,891</u>

	Teacher reference books <i>AUD\$'000</i>	Plant and equipment <i>AUD\$'000</i>	Classroom and office equipment <i>AUD\$'000</i>	Total <i>AUD\$'000</i>
30 June 2022				
At 30 June 2021 and 1 July 2021:				
Cost	340	3,041	10,146	13,527
Accumulated depreciation	<u>(262)</u>	<u>(1,109)</u>	<u>(1,380)</u>	<u>(2,751)</u>
Net carrying amount	<u>78</u>	<u>1,932</u>	<u>8,766</u>	<u>10,776</u>
At 1 July 2021, net of accumulated depreciation	78	1,932	8,766	10,776
Additions	5	95	10	110
Depreciation provided during the year	<u>(35)</u>	<u>(281)</u>	<u>(746)</u>	<u>(1,062)</u>
At 30 June 2022, net of accumulated depreciation	<u>48</u>	<u>1,746</u>	<u>8,030</u>	<u>9,824</u>
At 30 June 2022:				
Cost	345	3,136	10,157	13,638
Accumulated depreciation	<u>(297)</u>	<u>(1,390)</u>	<u>(2,127)</u>	<u>(3,814)</u>
Net carrying amount	<u>48</u>	<u>1,746</u>	<u>8,030</u>	<u>9,824</u>

11. LEASES

The Group as a lessee

The Group has lease contracts for items of office and buildings used in its operation. Leases of buildings generally have lease terms between 1 and 10 years.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

Right-of-use assets	Office premises <i>AUD\$'000</i>	Total <i>AUD\$'000</i>
As at 1 July 2021	14,373	14,373
Amortisation charge	<u>(1,917)</u>	<u>(1,917)</u>
As at 30 June 2022 and 1 July 2022	<u>12,456</u>	<u>12,456</u>
Additions	–	–
Amortisation charge	<u>(1,917)</u>	<u>(1,917)</u>
As at 30 June 2023	<u>10,539</u>	<u>10,539</u>

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the year are as follows:

	Lease liabilities	
	2023	2022
	<i>AUD\$'000</i>	<i>AUD\$'000</i>
Carrying amount at 1 July	16,235	16,575
Accretion of interest recognised during the year	786	835
Cash payment received due to COVID-19	–	160
Payments	<u>(2,481)</u>	<u>(1,335)</u>
Carrying amount at 30 June	<u>14,540</u>	<u>16,235</u>
Analysed into:		
Current portion	2,128	1,179
Non-current portion	<u>12,412</u>	<u>15,056</u>

(c) *The amounts recognised in profit or loss in relation to leases are as follows:*

	2023 AUD\$'000	2022 AUD\$'000
Interest on lease liabilities	786	835
Amortisation charge of right-of-use assets	1,917	1,917
Expense relating to leases of low-value assets	78	55
	<u>2,781</u>	<u>2,807</u>

(d) *The total cash outflow for leases will be disclosed in note 26 to the Group's annual report for the year ended 30 June 2023 financial statements.*

12. GOODWILL

	2023 AUD\$'000	2022 AUD\$'000
Cost:		
At 1 July	1,533	1,533
As at 30 June	<u>1,533</u>	<u>1,533</u>
Accumulated impairment:		
At beginning and end of year	<u>—</u>	<u>—</u>
Net carrying amount:		
At 1 July	1,533	1,533
At 30 June	<u>1,533</u>	<u>1,533</u>

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the following cash-generating units for impairment testing:

	2023 AUD\$'000	2022 AUD\$'000
SCOTS	<u>1,533</u>	<u>1,533</u>
	<u>1,533</u>	<u>1,533</u>

Cash-generating unit of SCOTS

The recoverable amount of SCOTS cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a three-year period approved by senior management. The discount rate applied to the cash flow projections is 11% (2022: 11%). The growth rate used to extrapolate the cash flows of SCOTS beyond the three-year period (2022: three-year period) is 1% (2022:1%).

The Group applies the simplified approach to provide for the expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Trade receivables from students are considered to be credit-impaired when the students withdraw from the tuition programs and are assessed individually for lifetime expected credit loss (“ECL”) provision.

The Group assessed the expected losses on trade receivables from students grouped based on the ageing of the trade receivables, considering the historical default experience and forward-looking information, as appropriate. The Group uses debtors’ ageing to assess the impairment for students because these customers consist of a large number of students with common risk characteristics that are representative of the students’ abilities to pay all amounts due in accordance with the contractual terms. AUD\$16,000 was recorded as allowance for impairment loss during the reporting period (2022: AUD\$44,000). Generally, trade receivables are written off when the student withdraw from the tuition programs and are not subject to enforcement activity.

14. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the year, based on the payment due date, is as follows:

	2023	2022
	<i>AUD\$'000</i>	<i>AUD\$'000</i>
Over two months	<u>2,615</u>	<u>2,022</u>

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

15. EVENTS AFTER THE REPORTING PERIOD

In July 2023, to assist higher education students, it has been approved that coursework students can complete a 12-week part-time internship for credit in their degree programs as an elective unit from November 2023, as the Group notices that the students find it challenging to secure satisfying employment after graduation, and preparation beyond academic study is generally required.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Top Education Group Ltd, trading as Australian National Institute of Management and Commerce as well as Top Education Institute, is one of Australia's primary and best-in-class private tertiary education providers. TOP has been nationally registered with the TEQSA and was also approved by TEQSA in May 2018 for Self-Accrediting Authority in the Broad Field of Education in Management and Commerce from AQF levels 5 to 9, which includes bachelor and master's degree courses. In this Broad Field, TOP's Business School provides quality programs at both undergraduate and postgraduate levels. The relevant courses are also accredited by major professional bodies, such as ACCA, CPA Australia and CAANZ.

TOP also founded the first Law School within a private higher education institute when both TEQSA and NSW LPAB officially accredited its Bachelor of Laws that enables its graduates to apply for admission as professional lawyers.

The Group's Information Technology ("IT") School was established in 2022, following the very first Information and Communication Technology ("ICT") course, Master of Data Analytics, accredited by TEQSA for seven years.

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

Operational Updates

Confronting Challenges, Embracing Transformation: A Year of Progress

Throughout the Reporting Period, the Group demonstrated resilience and innovation in the face of unprecedented global and national challenges. The year was characterised by a journey of recovery, revival and growth, underscoring our unwavering commitment to excellence.

The effect on operations of the COVID-19 pandemic eased in the first half of 2023. International student arrivals into Australia increased, and commencing student enrolments in the Group's higher education courses increased by approximately 82.5% in the first teaching term of 2023 compared to the same term in last financial year.

The initial impact of the pandemic on the ELICOS sector was considerable, with border closures and extended lockdowns creating substantial disruptions to the Group's operations. Strategic action was taken to reinstate SCOTS to its former strength. This concerted effort significantly increased student enrolments, with a remarkable 275% rise within six months.

Teaching and Learning

Teaching in the first half of 2023 in the Group's higher education courses continued in a hybrid format as some students preferred remote learning to in-class learning in the immediate post-pandemic period. However, TEQSA has announced that international students holding Australian student visa are restricted from completing more than one-third of their degree program by online methods, and all institutions must comply with relevant legislation and regulations from July 2023. As a result, the Group's higher education courses will be returned to classroom-based teaching, with only a few units continuing to be taught exclusively online.

The blended learning pedagogy used by the Group's higher education provision had been facilitated through experiences gained during the pandemic, and that demonstrated how digital education delivery could be combined with in-person classes for a more effective learning experience.

Exceptional Student-Focused Education

The disrupted educational environment arising from the COVID-19 pandemic and its aftermath demanded proactive measures to ensure the Group's students continued to thrive both during and after the pandemic period.

The Group pioneered the transformation of its Communication, Monitoring, Resource, and Feedback approaches (known as the “**CMRF Model**”) into a more encompassing system termed the “**CCMRF**” Model. This newly refined approach integrates Communication, Collaboration, Monitoring, Resource, and Feedback mechanisms. By incorporating collaboration into the existing model, the Group has been able to provide a more robust framework to help students adapt to new learning environments, thereby providing an opportunity to excel in their studies by operating on two distinct yet interconnected levels: fostering peer interactions among students, and facilitating seamless collaboration among the Group's student-support teams.

Given the rich diversity within the Group's cohort of students, an understanding of student's individual needs and cultural backgrounds in planning and implementing support structures was prioritised. A significant part of improving support structures involved an institute-wide mental health training program conducted in October 2022. This comprehensive training emphasised team collaboration and was designed to equip our staff with the skills and knowledge needed to support and promote student well-being. The program reinforced the importance of student mental health, providing tools and resources to enhance empathy, compassion, and support within our educational community.

Expanding Horizons

The Perth campus commenced operations in the first half of 2023, offering undergraduate and postgraduate courses. Enrolments are expected to build over coming terms as the Perth operations gain momentum.

A new course, Master of Data Analytics, is the Group's first approved course within the ICT area and represents a new field of teaching for the Group. The course positions the Group as having three approved fields of higher education – law, business and technology. These fields represent a solid foundation for growth in the international and domestic student markets.

The Group introduced a generalist Master of Business Administration (“**MBA**”) with a 12-unit course structure and two-year duration to add to its suite of specialist MBAs. Adding choice and flexibility to courses offered is valued by students.

SCOTS is on the precipice of an exciting expansion phase following a remarkable surge in student demand. Having reached its enrolment capacity, SCOTS successfully obtained approval for an additional teaching location to increase capacity further.

Challenges

Reflections have been brought to educationalists on the recent and rapid technological advancements. The most significant issue is possibly the impact of generative artificial intelligence (“**AI**”) on learning and teaching. An immediate concern is how generative AI might undermine student academic integrity. To date, a firm policy position on generative AI has yet to be taken other than to warn students that using generative AI to prepare assessable work is only permitted with the express approval of the lecturer-in-charge and only if full disclosure is made.

Conversely, the Group will encourage the positive use of AI tools. For instance, the Group is providing Grammarly Premium to all higher education students and staff free of charge. This AI writing tool will assist students in improving their written English through suggestions on word choice and sentence construction, grammar, spelling and punctuation. It should make grading written assignments easier for staff, who can more readily focus on substantive content.

Academic management carefully monitors developments in generative AI on education in consultation with the Academic Board and its subcommittees. In particular, the Learning, Teaching and Scholarship Committee is investigating how written assessment tasks for students can be redesigned to mitigate the misuse of generative AI.

The economic conditions facing international students in Australia continue to be challenging, with accommodation rental especially problematic.

Student Enrolments

For the year ended 30 June 2023, the total EFTSL of higher education services of the Group increased by approximately 41.6% comparing with the last financial year.

	2023	2022
Undergraduate Courses	319.1	232.2
Postgraduate Courses	643.0	574.9
Non-Award Unit Study	382.1	141.9
Total	1,344.2	949.0

Tuition Fee

Annual tuition fee increases will be capped at 15% and increases over any three-year period will not exceed 30%. The tuition fee increase is determined by the management team subject to market conditions. During the Reporting Period, the tuition fee remained flat.

Course Name	International		Domestic	
	2023 AUD\$	2022 AUD\$	2023 AUD\$	2022 AUD\$
Diploma in Applied Finance and Accounting	21,000	21,000	17,200	17,200
Associate Degree of Applied Finance and Accounting	42,000	42,000	34,400	34,400
Bachelor of Applied Finance and Accounting	63,000	63,000	51,600	51,600
Diploma of Business	21,000	21,000	15,000	15,000
Associate Degree of Business	42,000	42,000	30,000	30,000
Bachelor of International Business	63,000	63,000	45,000	45,000
Graduate Certificate in Accounting	11,960	11,960	8,600	8,600
Graduate Certificate in Business	11,960	11,960	8,600	8,600
Graduate Certificate in Business Management	11,960	11,960	8,600	8,600
Graduate Certificate in Business Analytics	–	–	8,600	–
Graduate Certificate in Data Analytics	13,200	–	8,600	–
Graduate Certificate in Digital Business Technologies	–	–	8,600	–
Graduate Certificate in Financial Technology Management	11,960	11,960	8,600	8,600
Graduate Diploma of Accounting	23,920	23,920	17,200	17,200
Graduate Diploma of International Business	23,920	23,920	17,200	17,200
Graduate Diploma of Marketing	23,920	23,920	17,200	17,200
Graduate Diploma of Business Administration	23,000	23,000	17,200	17,200

Course Name	International		Domestic	
	2023	2022	2023	2022
	AUD\$	AUD\$	AUD\$	AUD\$
Graduate Diploma of Data Analytics	26,400	–	17,200	–
Graduate Diploma of Financial Technology Management	23,920	23,920	17,200	17,200
Master of Accounting Practice	35,880	35,880	25,800	25,800
Master of Professional Accounting	35,880	35,880	25,800	25,800
Master of Professional Accounting Services	47,840	47,840	34,400	34,400
Master of Big Data Auditing	47,840	47,840	34,400	34,400
Master of Business Administration	46,000	46,000	34,400	34,400
Master of Business Administration (Business Analytics)	46,000	46,000	34,400	34,400
Master of Business Administration (Digital Business Applications)	46,000	46,000	34,400	34,400
Master of Business Administration (FinTech Management)	46,000	46,000	34,400	34,400
Master of Business Administration (Professional Accounting)	46,000	46,000	34,400	34,400
Master of Accounting Intelligence	47,840	47,840	34,400	34,400
Master of Applied Financial Technology and Blockchain	47,840	47,840	34,400	34,400
Master of Data Analytics	52,800	–	34,400	–
Master of Taxation (with Data Analysis and Artificial Intelligence)	47,840	–	34,400	–
Master of International Business	35,880	35,880	25,800	25,800
Master of Marketing	35,880	35,880	25,800	25,800
Bachelor of Laws	96,000	80,000	48,000	48,000

Outlook

The Group has successfully navigated the challenges posed by the pandemic and now aims to leverage its strengths to establish a robust strategic agenda for the next five years. The goal is to secure the future, rebuild scale and margins, and strengthen brand positioning in the education market. The dynamic post-pandemic Australian education sector, marked by policy changes and evolving student demand, presents opportunities for the Group to thrive as an innovative and agile education provider.

The Group is evolving its market positioning, enhancing brand visibility, and expanding campus locations, aiming to strengthen academic leadership, foster a sense of community, and promote corporate social responsibility across all campuses.

FINANCIAL REVIEW

Revenue

Revenue represents the value of services rendered during the Reporting Period. The Group's revenue increased by approximately 43.6% from approximately AUD\$18.7 million for the year ended 30 June 2022 to approximately AUD\$26.8 million for the year ended 30 June 2023. A breakdown of revenue is shown below:

	2023 <i>AUD\$'000</i>	2022 <i>AUD\$'000</i>	Change %
Course fee income	25,044	17,048	+46.9%
Other service fee	1,804	1,649	+9.4%
	<u>26,848</u>	<u>18,697</u>	<u>+43.6%</u>

The increase in revenue was primarily due to the increase of the Group's student enrolments as compared to the corresponding period in 2022.

Tuition fee contributed over 93.3% of the Group's revenue while overseas service fee represented approximately 6.7% of the revenue.

Cost of Revenue

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

Cost of revenue increased by approximately AUD\$3.9 million, or 35.4%, from AUD\$11.1 million for the year ended 30 June 2022 to AUD\$15.1 million for the year ended 30 June 2023. This increase in cost of revenue was consistent with the increase in student enrolments, and mainly due to (i) the increase in agent commission and student related expenses, (ii) the increase in intangible assets amortisation, (iii) the increase in employment expenses, and (iv) the increase in consultation and other service fees.

Gross Profit and Gross Profit Margin

Gross profit increased by 55.6% from AUD\$7.6 million for the year ended 30 June 2022 to AUD\$11.8 million for the year ended 30 June 2023, and gross profit margin increased from approximately 40.5% to approximately 43.9%, which was mainly due to the increase in tuition revenue.

Other Income and Gains

Other income decreased by 72.1% from approximately AUD\$1.1 million for the year ended 30 June 2022 to approximately AUD\$0.3 million for the year ended 30 June 2023. The decrease primarily resulted from the cessation of government support for COVID pandemic.

Advertising and marketing expenses

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

Advertising and marketing expenses increased by approximately 38.4% from approximately AUD\$2.0 million for the year ended 30 June 2022 to approximately AUD\$2.8 million for the year ended 30 June 2023. The increase was primarily due to (i) the increase in business promotional expenses, and (ii) the increase in employment related expenses.

Administrative Expenses

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

Administrative expenses slightly increased by approximately 0.2% from AUD\$7.27 million for the year ended 30 June 2022 to AUD\$7.29 million for the year ended 30 June 2023. This slight increase primarily resulted from the net effect of the increase in employment related expenses and the decrease in office operating and consulting expenses.

Finance Costs

Finance costs represent the interest expense on the lease liabilities.

Finance costs remains stable at approximately AUD\$0.8 million for the year ended 30 June 2023 and for the year ended 30 June 2022.

Profit for the Reporting Period

As a result of the above factors, the net profit for the year of the Group increased by approximately 181.9% from approximately AUD\$1.3 million loss for the year ended 30 June 2022 to approximately AUD\$1.1 million profit for the year ended 30 June 2023.

Capital Expenditure

The capital expenditures for the year ended 30 June 2023 were approximately AUD\$0.8 million, consisted primarily of expenditures on (i) registration and other development, (ii) course development, (iii) plant and equipment, (iv) classroom equipment and office and (v) teachers reference books.

Liquidity, Financial Resources and Gearing Ratio

As at 30 June 2023, the Group had cash and cash equivalents on hand of approximately AUD\$41.7 million (30 June 2022: AUD\$33.2 million) with no bank borrowings (30 June 2022: nil). During the year ended 30 June 2023, the Group funded our working capital requirements and capital expenditures principally through net cash inflows from operating activities.

As at 30 June 2023, the gearing ratio, which is calculated on the basis of total borrowing and total equity of the Group was 0% (30 June 2022: 0%).

Foreign Exchange Risk Management

The functional currency of the Group is AUD. The majority of the Group's revenue and expenditures are denominated in AUD, except that certain expenditures are denominated in HK\$. As at 30 June 2023, certain bank balances and payables were denominated in USD and HKD. The Group did not use any financial instruments for hedging purposes. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

Charges on the Group's Assets

There were no charges on the Group's assets as at 30 June 2023 and 2022.

Contingent Liabilities

As at 30 June 2023, the Group did not have any other significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

In July 2023, to assist higher education students, it has been approved that coursework students can complete a 12-week part-time internship for credit in their degree programs as an elective unit from November 2023. This is because of the Group noticing that the students find it challenging to secure satisfying employment after graduation, and preparation beyond academic study is generally required.

Initially, this will be a work experience program where the student (intern) gains relevant experience working remotely with an Australian or international organisation. The Group's higher education management team will work with an external internship provider to arrange relevant virtual internships for selected students, monitor progress, and determine an outcome grade for course credit. At a later date, other forms of work-integrated learning experiences (such as student-selected work placements) might be included.

DIVIDEND

The Board recommends the payment of a final dividend of HK0.1 cents per ordinary share for the year ended 30 June 2023 (2022: Nil).

Subject to the Shareholders approving the recommended distribution at the forthcoming AGM, the final dividend will be paid on or about Friday, 15 December 2023 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 6 December 2023.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Wednesday, 29 November 2023. A notice convening the AGM and all other relevant documents will be published and dispatched to the Shareholders.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming AGM to be held on Wednesday, 29 November 2023, the register of members of the Company will be closed from Friday, 24 November 2023 to Wednesday, 29 November 2023, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's 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 no later than 4:30 p.m. (Hong Kong time) on Thursday, 23 November 2023.

For determining the entitlement to receive the final dividend, the register of members of the Company will be closed by the Company from Monday, 4 December 2023 to Wednesday, 6 December 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. All share 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 no later than 4:30 p.m. (Hong Kong time) on Friday, 1 December 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Constitution of the Company, or under the Corporations Act, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total number of issued Shares are held by the public as at the date of this announcement.

USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

Net proceeds from the Listing (including the over-allotment option and after deducting underwriting fee and relevant expenses) amounted to approximately HK\$171.7 million or AUD\$30 million. As at 30 June 2023, a total amount of approximately HK\$122.3 million out of net proceeds had been used by the Group according to the allocation set out in the announcement dated 27 February 2020.

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

Note:

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

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining good corporate governance standards.

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

The Company has adopted the principles and code provisions of the CG Code contained in Appendix 14 of the Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that during the Reporting Period, the Company had complied with applicable code provisions of the CG Code.

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

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding Directors' securities transactions. Specific enquiry has been made by the Company with all Directors and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

The Company has also adopted the Model Code as the Employees Written Guidelines, to regulate the securities transactions of the relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company. To the best knowledge of the Company, no incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Audit Committee consists of three independent non-executive Directors. The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2023, including the accounting principles and practices adopted by the Group.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2023 as set out in the preliminary announcement have been agreed by the Group's auditors, Ernst & Young, Recognised Public Interest Entity Auditor, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young, Recognised Public Interest Entity Auditor, in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.top.edu.au. The annual report of the Company for the year ended 30 June 2023 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the above websites in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to the Company's management and staff members for their dedication and hard work and our Shareholders for their trust and support.

DEFINITIONS

“ACCA”	Association of Chartered and Certified Accountants
“AGM”	annual general meeting of the Company
“AQF”	the Australian Qualifications Framework, which specifies the standards for educational qualifications in Australia
“AUD\$”	Australian dollars, the lawful currency of Australia
“Audit Committee”	the audit committee of the Board
“Australia”	the Commonwealth of Australia
“award”	a qualification under levels 1 to 10 of the AQF
“Board”	the board of Directors
“Business School”	Sydney City School of Business, as the name adopted for the Company’s academic division covering higher education courses in the field of Management and Commerce
“CAANZ”	Chartered Accountants Australia and New Zealand
“CG Code”	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this announcement and for geographical reference only, except where the context requires, does not include Hong Kong, Macau and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “Institutes”, “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 as well as Australian National Institute of Management and Commerce
“Corporations Act”	the Corporations Act 2001 (Cth) of Australia, as amended, supplemented or otherwise modified from time to time, which is the principal legislation regulating companies in Australia

“Council”	the Council of our Institutes
“course”	a program of study that will confer an award upon completion
“CPA Australia”	CPA Australia Ltd
“Director(s)”	the director(s) of the Company
“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
“ELICOS”	English Language Intensive Courses for Overseas Students
“Employee”	<p>(a) any employee (including without limitation any executive Director) of the Company;</p> <p>(b) any non-executive Director (including independent non-executive Directors);</p> <p>(c) any member of the Council; and</p> <p>(d) any consultant of the Company,</p> <p>excluding any employee who is resident in a place where the award of Awarded Shares and/or the vesting of Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Committee or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such employee</p>
“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“higher education”	studies in pursuit of a qualification under levels 5 to 10 of the AQF, including a diploma, advanced diploma, associate degree, bachelor’s degree, graduate certificate, graduate diploma, master degree and doctoral degree
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong dollars” or “HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Law School”	Sydney City School of Law, as the name adopted for the Company to provide degree courses in law
“Listing”	the listing of our Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“Nomination Committee”	the Nomination Committee of the Board
“NSW LPAB”	the Legal Profession Admission Board, New South Wales
“Reporting Period”	the period from 1 July 2022 to 30 June 2023
“SCOTS”	Scots English College Pty Ltd, a private education institution established in Australia providing English language courses
“Share(s)”	share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TEQSA”	the Tertiary Education Quality and Standards Agency in Australia established under the Tertiary Education Quality and Standards Agency Act 2011

“US\$” or “USD”

United States dollars, the lawful currency of the United States

By order of the Board of
Top Education Group Ltd
Min Ying
Company Secretary

Sydney, Australia, 25 September 2023

As at the date of this announcement, the executive Director is Ms. Rongning Xu, the non-executive Directors are Mr. Amen Kwai Ping Lee, Mr. Yi Dai, Mr. Edward Chiang, Ms. Xing Shi Huang and Mr. Qingquan Yang, and the independent non-executive Directors are Mr. Tianye Wang, Professor Steven Schwartz and Mr. Jonathan Richard O’Dea.