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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024**

#### **FINANCIAL HIGHLIGHTS**

- Group's revenue increased by approximately 16.5% to approximately AUD\$16.0 million.
- Gross profit was approximately AUD\$6.6 million, rose by approximately 16.6%.
- Profit for the period was approximately AUD\$1.6 million, a growth of approximately 50.1%.

The Board of Directors of Top Education Group Ltd (the “**Company**”), together with its subsidiaries (the “**Group**”), hereby announces the consolidated unaudited interim results of the Company for the six months ended 31 December 2024 together with the comparative figures for the corresponding period in 2023 as set out below:

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

*For the six months ended 31 December 2024*

		<b>Six months ended</b>	
		<b>31 December</b>	
	<i>Notes</i>	<b>2024</b>	2023
		<b>(Unaudited)</b>	(Unaudited)
		<b>AUD\$'000</b>	<b>AUD\$'000</b>
REVENUE	4	<b>16,016</b>	13,745
Cost of sales		<u>(9,397)</u>	<u>(8,069)</u>
Gross profit		<b>6,619</b>	5,676
Interest income			
Other income and gains	4	<b>1,608</b>	1,040
Administrative expenses		<b>(4,364)</b>	(3,745)
Advertising and marketing expenses		<b>(1,342)</b>	(1,177)
Finance costs	5	<u>(373)</u>	<u>(357)</u>
PROFIT BEFORE TAX	6	<b>2,148</b>	1,437
Income tax expense	7	<u>(595)</u>	<u>(402)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><b>1,553</b></u>	<u>1,035</u>
Profit Attributable to:			
Owners of the Company		<b>1,592</b>	1,040
Non-controlling interests		<u>(39)</u>	<u>(5)</u>
		<u><b>1,553</b></u>	<u>1,035</u>
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic earnings per share (AUD cents)	9	<u><b>0.066</b></u>	<u>0.043</u>
Diluted earnings per share (AUD cents)	9	<u><b>0.062</b></u>	<u>0.041</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	31 December 2024 (Unaudited) AUD\$'000	30 June 2024 (Audited) AUD\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	7,946	8,407
Intangible assets	10	7,107	7,781
Right-of-use assets		9,957	11,123
Prepayments		1,188	1,188
Goodwill		1,533	1,533
Deferred tax assets		470	193
Total non-current assets		<u>28,201</u>	<u>30,225</u>
<b>CURRENT ASSETS</b>			
Trade receivables	11	291	197
Prepayments, other receivables and other assets		3,616	2,886
Cash and cash equivalents		46,588	44,072
Total current assets		<u>50,495</u>	<u>47,155</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	12	2,997	2,655
Other payables and accruals		4,589	4,279
Lease liabilities		2,434	2,562
Contract liabilities		5,691	4,246
Tax payable		596	685
Total current liabilities		<u>16,307</u>	<u>14,427</u>
NET CURRENT ASSETS		<u>34,188</u>	<u>32,728</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>62,389</u>	<u>62,953</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		11,339	12,518
Other payables and accruals		346	317
Total non-current liabilities		<u>11,685</u>	<u>12,835</u>
Net assets		<u>50,704</u>	<u>50,118</u>
<b>EQUITY</b>			
Share capital		36,547	36,547
Treasury shares		(2,236)	(2,236)
Reserves		16,023	15,405
Non-controlling interests		370	402
Total equity		<u>50,704</u>	<u>50,118</u>

## 1. CORPORATE AND GROUP INFORMATION

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

During the six months ended 31 December 2024, the Company and its subsidiaries were principally engaged in providing private higher education services and English language courses in Australia.

### 2.1. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 31 December 2024 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2024, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

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

### 2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024, except for the adoption of the following revised IFRSs effective as of 1 July 2024.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of these revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current and prior periods.

### 3. OPERATING SEGMENT INFORMATION

The Group has identified the Chief Executive Officer (“CEO”) and the Board of Directors as the chief operating decision makers. The Group is principally engaged in the provision of education services in Australia.

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

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

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

No services provided to a single customer contributed 10% or more of the total revenue of the Group during the six months ended 31 December 2024 (six months ended 31 December 2023: nil).

### 4. REVENUE AND OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>Six months ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>AUD\$’000</b>	<b>AUD\$’000</b>
<i>Revenue from contracts with customers</i>		
Course fee income	<b>14,970</b>	12,767
Other service fee income	<b>1,046</b>	978
	<b>16,016</b>	<b>13,745</b>
<u>Revenue from contracts with customers</u>		
(i) Disaggregated revenue information		
Geographical markets		
Australia	<b>16,016</b>	<b>13,745</b>
<u>Timing of revenue recognition</u>		
Course fee income recognised over time	<b>14,970</b>	12,767
Other service fee income recognised over time	<b>1,046</b>	978
	<b>16,016</b>	<b>13,745</b>

(ii) Performance obligations

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

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

	Six months ended 31 December	
	2024 (Unaudited) AUD\$'000	2023 (Unaudited) AUD\$'000
<u>Other income and gains</u>		
Interest income	1,533	944
Realised foreign exchange gains, net	3	–
Government grants	25	–
Others	47	96
	<u>1,608</u>	<u>1,040</u>

5. FINANCE COST

	Six months ended 31 December	
	2024 (Unaudited) AUD\$'000	2023 (Unaudited) AUD\$'000
Interests on lease liabilities	<u>373</u>	<u>357</u>

6. PROFIT BEFORE TAX

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

	Six months ended 31 December	
	Notes 2024 (Unaudited) AUD\$'000	2023 (Unaudited) AUD\$'000
Amortisation of intangible assets	931	1,038
Depreciation of property, plant and equipment	509	471
Amortisation of right-of-use assets	1,166	962
Auditors' remuneration	10	29
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages, salaries and other employee benefits	4,593	3,978
Share-based payments	17	132
Pension scheme contributions (defined contribution schemes)	483	393
	<u>5,093</u>	<u>4,503</u>
Impairment allowance for trade receivables	<u>164</u>	<u>–</u>

## 7. INCOME TAX

The Group is subject to income tax on profits arising in or derived from the jurisdiction in which the Group is domiciled and operates. Profits tax has been provided at the Group's statutory tax rate of 25% for the six months ended 31 December 2024 and 2023 on the estimated assessable profits.

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

	Six months ended 31 December	
	2024 (Unaudited) AUD\$'000	2023 (Unaudited) AUD\$'000
Current		
Charge for the period	872	524
Deferred tax	(277)	(122)
Total tax charge for the period	<u>595</u>	<u>402</u>

## 8. INTERIM DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 31 December 2024 (six months ended 31 December 2023: interim dividend of HK0.1 cents per ordinary share was declared to the owners of the Company).

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

The calculation of the basic earnings per share amount is based on the profit for the Reporting Period attributable to the owners of the Company of AUD\$1,592,000 (six months ended 31 December 2023: AUD\$1,040,000) and the weighted average number of ordinary shares of 2,397,574,000 (six months ended 31 December 2023: 2,395,660,000) in issue during the period.

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

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

	Six months ended 31 December	
	2024 (Unaudited) AUD\$'000	2023 (Unaudited) AUD\$'000
<u>Earnings</u>		
Profit attributable to owners of the Company	<u>1,592</u>	<u>1,040</u>

	<b>Number of shares</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>Ordinary shares</b>	Ordinary shares
	<b>'000</b>	'000
<u>Shares</u>		
Weighted average number of shares in issue used in the basic earnings per share calculation	2,397,574	2,395,660
Effect of dilution – weighted average number of shares:		
Performance rights	149,912	145,024
	<u>2,547,486</u>	<u>2,540,684</u>

## 10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the six months ended 31 December 2024, the Group acquired assets with a cost of AUD\$48,000 (six months ended 31 December 2023: AUD\$88,000) as additions to property, plant and equipment.

During the six months ended 31 December 2024, the Group acquired intangible assets with a cost of AUD\$257,000 (six months ended 31 December 2023: AUD\$44,000) as additions to registration and course development.

## 11. TRADE RECEIVABLES

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

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

	<b>31 December</b>	30 June
	<b>2024</b>	2024
	<b>(Unaudited)</b>	(Audited)
	<b>AUD\$'000</b>	AUD\$'000
Trade receivables	455	304
Allowance for expected credit losses	(164)	(107)
	<u>291</u>	<u>197</u>

	<b>31 December 2024 (Unaudited) AUD\$'000</b>	30 June 2024 (Audited) AUD\$'000
1 to 3 months	<u><u>291</u></u>	<u><u>197</u></u>

The Group applies the simplified approach to provide for the expected credit losses (“ECL”) 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 ECL provision.

The Group assessed the ECL 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\$164,000 was recorded as allowance for impairment loss during the reporting period (30 June 2024: AUD\$107,000). Generally, trade receivables are written off when the student withdraw from the tuition programs and are not subject to enforcement activity.

## 12. TRADE PAYABLES

	<b>31 December 2024 (Unaudited) AUD\$'000</b>	30 June 2024 (Audited) AUD\$'000
Trade payables	<u><u>2,997</u></u>	<u><u>2,655</u></u>

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

## 13. EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

Top Education Group Ltd, trading as Australian National Institute of Management and Commerce (“IMC”) as well as Top Education Institute, is one of Australia’s primary and best-in-class private tertiary education providers. TOP has been nationally registered with TEQSA and also approved in May 2018 for Self-Accrediting Authority by TEQSA in the Broad Field of Education in Management and Commerce from AQF levels 5 to 9, which includes bachelors’s 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.

#### **Operational Updates**

##### ***Higher Education Environment***

Over the past five years, the higher education sector in Australia and around the world has experienced significant upheaval due to unexpected events. The pandemic from 2020 to 2023, the emergence of generative artificial intelligence (“AI”) since late 2023, and the changing government policies on international student flows within the broader context of migration have all played pivotal roles. While the pandemic initiated widespread remote learning and technological innovation, and generative AI has enhanced learning and teaching, the current political climate surrounding migration remains an immediate concern.

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

##### ***New Courses Development***

Following a thorough market and competitor analysis, TOP has identified new fields where AI has the least impact.

These courses are currently under development. As they fall outside TOP’s self-accrediting authority, they will be submitted to TEQSA for accreditation assessment in the first quarter of 2025. The first offerings of these new courses are scheduled for the 2025-2026 financial year.

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

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

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

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

### ***Accreditations***

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

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

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

### ***Transnational and Pathway Programs***

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

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

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

### ***Interstate Campuses***

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

### ***Teaching and Learning and Staff Satisfaction Surveys***

The results from a teaching and non-teaching staff survey at TOP were released in July 2024 with satisfactory results.

Almost 90% of academic respondents expressed a sense of professional competence in their teaching roles.

Over two-thirds of respondents felt confident and familiar with processes of identifying at-risk students and academic integrity and felt competent to use existing technology to enhance learning.

For non-teaching staff, 96% of respondents agreed or strongly agreed that feedback from direct supervisors helped their growth and development. Flexible working hours and strong support from direct supervisors also scored high.

### ***Data Management and Security***

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

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

### **Tuition Fee**

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

Course Name	International		Domestic	
	2025	2024	2025	2024
	AUD\$	AUD\$	AUD\$	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
Bachelor of Accounting and Data Assurance	72,000	–	51,600	–
Graduate Certificate in Accounting	11,960	11,960	8,600	8,600
Graduate Certificate in Business	11,960	11,960	8,600	8,600
Graduate Certificate in Business Management	11,960	11,960	8,600	8,600
Graduate Certificate in Data Analytics	13,200	13,200	8,600	8,600
Graduate Certificate in Financial Technologies Management	11,960	11,960	8,600	8,600
Graduate Diploma of Accounting	23,920	23,920	17,200	17,200
Graduate Diploma of International Business	23,920	23,920	17,200	17,200
Graduate Diploma of Marketing	23,920	23,920	17,200	17,200
Graduate Diploma of Business Administration	23,000	23,000	17,200	17,200
Graduate Diploma of Data Analytics	26,400	26,400	17,200	17,200
Graduate Diploma of Financial Technologies 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 Business Administration (16 units)	46,000	46,000	34,400	34,400
Master of Business Administration (12 units)	49,500	49,500	25,800	25,800
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 Data Analytics	52,800	52,800	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 Big Data Auditing	47,840	47,840	34,400	34,400
Master of Taxation (with Data Analysis and Artificial Intelligence)	47,840	47,840	34,400	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	96,000	48,000	48,000

## Revenue

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

The Group's revenue increased by approximately 16.5% from approximately AUD\$13.7 million for the six months ended 31 December 2023 to approximately AUD\$16.0 million for the six months ended 31 December 2024. A breakdown of revenue is shown below:

	<b>Six months ended</b>		<b>Change</b>
	<b>31 December</b>		
	<b>2024</b>	2023	
	<b>(Unaudited)</b>	(Unaudited)	
	<b>AUD\$'000</b>	AUD\$'000	%
Course fee income	<b>14,970</b>	12,767	+17.3%
Other service fee income	<b>1,046</b>	978	+7.0%
	<b><u>16,016</u></b>	<u>13,745</u>	<u>+16.5%</u>

The increase in revenue was mainly due to the increase in student enrolment and the increase in other service fees.

Tuition fees contributed over 93.5% of the Group's revenue while other service fee represented approximately 6.5% 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\$1.3 million, or 16.5%, from approximately AUD\$8.1 million for the six months ended 31 December 2023 to approximately AUD\$9.4 million for the six months ended 31 December 2024. The 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, and (ii) the increase in employment expenses.

### **Gross Profit and Gross Profit Margin**

Gross profit increased by approximately 16.6% from AUD\$5.7 million for the six months ended 31 December 2023 to AUD\$6.6 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 2024 and 31 December 2023.

### **Other Income and Gains**

Other income increased by 54.62% from approximately AUD\$1.0 million for the six months ended 31 December 2023 to approximately AUD\$1.6 million for the six months ended 31 December 2024. The increase primarily resulted from the increase in interest income.

## **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 increased by 16.5% from approximately AUD\$3.7 million for the six months ended 31 December 2023 to approximately AUD\$4.4 million for the six months ended 31 December 2024. This increase was primarily due to the increase in office operation, consulting and employee related expenses.

## **Advertising and Marketing Expenses**

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

Advertising and marketing expenses increased by approximately 14.0% from approximately AUD\$1.2 million for the six months ended 31 December 2023 to approximately AUD\$1.3 million for the six months ended 31 December 2024. The increase was primarily due to the increase in employment related expenses.

## **Finance Costs**

Finance costs represent the interest expense on the lease liabilities.

Finance costs remain stable at AUD\$0.4 million for the six months ended 31 December 2024 and six months ended 31 December 2023.

## **Profit for the Reporting Period**

As a result of the above factors, the net profit for the reporting period of the Group increased by approximately 50.1% from approximately AUD \$1.0 million for the six months ended 31 December 2023 to approximately AUD\$1.6 million for the six months ended 31 December 2024.

## **Capital Expenditure**

Our capital expenditures for the six months ended 31 December 2024 were approximately AUD\$0.3 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 31 December 2024, the Group had cash on hand of AUD\$46.6 million (30 June 2024: AUD\$44.1 million) with no bank borrowings (30 June 2024: nil). During the six months ended 31 December 2024, the Group financed our working capital requirements and capital expenditures principally through net cash inflows from operating activities.

As at 31 December 2024, the gearing ratio, which is calculated on the basis of total borrowing and total equity of the Group was 0% (30 June 2024: 0%).

## **Significant Investments, Acquisitions and Disposals**

Save as disclosed in this report, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period, nor any plan authorized by the Board for other material investments or additions of capital assets during the six months ended 31 December 2024.

## **Foreign Exchange Risk Management**

The functional currency of the Group is AUD. The majority of the Group's revenue and expenditures are denominated in AUD, except that certain expenditures are denominated in HKD. As at 31 December 2024, certain bank balances and payables were denominated in USD and HKD. The Group did not use any financial instruments for hedging purposes. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

## **Charges on the Group's Assets**

There were no charges on the Group's assets as at 31 December 2024 (30 June 2024: Nil).

## **Contingent Liabilities**

As at the end of Reporting Period, the Group did not have any significant contingent liabilities.

## **EMPLOYMENT AND REMUNERATION POLICIES**

During the six months ended 31 December 2024, including academic staff, the Company employed 123 staff (six months ended 31 December 2023: 106). The remuneration packages of the employees of the Company are determined with reference to their qualification, working experience, performance, contribution to the Company and prevailing market rate.

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

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

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

The Company places great importance on the continuing development of professional knowledge and skills for our employees. The Company believes that the continued growth and success of our business is built upon employee excellence and their ability to provide quality services to our students and corporate clients. This commitment to excellence is integral to our goal of retaining a quality and skilled core workforce.

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

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

There were no significant events after the Reporting Period.

#### **INTERIM DIVIDEND**

The Board does not recommend an interim dividend in respect of the six months ended 31 December 2024 (six months ended 31 December 2023: HK0.1 cent).

#### **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.

#### **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 2024, 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 <sup>(1)</sup>
Acquiring or investing in educational groups/institutions in the PRC and in Australia	41.0%	70.4	21.0	49.4	by the end of 2025 <sup>(2)</sup>
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	-	-
<b>Total</b>	<b>100.0%</b>	<b>171.7</b>	<b>122.3</b>	<b>49.4</b>	

*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 2025 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, and (ii) discussions and negotiations regarding potential cooperative opportunities and commercial uncertainties under current complex, uncertain and volatile domestic and international environments.

## AUDIT AND REVIEW OF FINANCIAL INFORMATION

The Audit and Finance Committee reviewed the unaudited interim results of the Group for the six months ended 31 December 2024, including the accounting principles and practices adopted by the Group.

## CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards.

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

The Board is of the view that during the six months ended 31 December 2024, the Company had complied with applicable code provisions of the CG Code.

## 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.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.top.edu.au](http://www.top.edu.au). The interim report of the Company for the six months ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to the Shareholders of the Company who requested the printed copy and published on the above websites in due course.

## DEFINITIONS

“ACCA”	Association of Chartered and Certified Accountants
“AQF”	the Australian Qualifications Framework, which specifies the standards for educational qualifications in Australia
“AUD\$”	Australian dollars, the lawful currency of Australia
“Audit and Finance Committee”	the audit and finance 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”	Australian National Institute of Management and Commerce, (formerly Sydney City School of Business), as the name adopted for the Company's academic division covering higher education courses in the field of Management and Commerce
“CAANZ”	Chartered Accountants Australia and New Zealand
“CG Code”	the Corporate Governance Code contained in Appendix C1 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

“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
“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
“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 C3 to the Listing Rules
“NSW LPAB”	the Legal Profession Admission Board, New South Wales

“Reporting Period”	the period from 1 July 2024 to 31 December 2024
“Share(s)”	share(s) in the capital of the Company
“Share Award Scheme”	the Share Award Scheme adopted by the Company on 23 October 2018
“Share Option Scheme”	the Share Option Scheme adopted by the Company on 18 April 2018
“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, 26 February 2025

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