Application Proof of

TOP EDUCATION GROUP LTD

(the "**Company**")

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

WARNING

The publication of this Application Proof is required by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")/the Securities and Futures Commission (the "**SFC**") solely for the purpose of providing information to the public in Hong Kong.

This Application Proof is in draft form. The information contained in it is incomplete and is subject to change which can be material. By viewing this document, you acknowledge, accept and agree with the Company, its sponsor, advisers or member of the underwriting syndicate that:

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(b) the publication of this document or supplemental, revised or replacement pages on the Stock Exchange's website does not give rise to any obligation of the Company, its sponsor, advisers or members of the underwriting syndicate to proceed with an offering in Hong Kong or any other jurisdiction. There is no assurance that the Company will proceed with the offering;

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(g) neither the Company nor any of its affiliates, advisers or underwriters is offering, or is soliciting offers to buy, any securities in any jurisdiction through the publication of this document;

(h) no application for the securities mentioned in this document should be made by any person nor would such application be accepted;

(i) the Company has not and will not register the securities referred to in this document under the United States Securities Act of 1933, as amended, or any state securities laws of the United States;

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(k) the application to which this document relates has not been approved for listing and the Stock Exchange and the SFC may accept, return or reject the application for the subject public offering and/or listing.

If an offer or an invitation is made to the public in Hong Kong in due course, prospective investors are reminded to make their investment decisions solely based on the Company's prospectus registered with the Registrar of Companies in Hong Kong, copies of which will be distributed to the public during the offer period.

IMPORTANT

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

TOP EDUCATION GROUP LTD

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	:	**[REDACTED] Shares (subject to the [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] Shares (subject to adjustment)**
Number of [REDACTED]	:	**[REDACTED] Shares (subject to adjustment and the [REDACTED])**
Maximum [REDACTED]	:	**HK$[REDACTED] per [REDACTED], plus [REDACTED] fee of 1%, SFC [REDACTED] of 0.0027% and Stock Exchange [REDACTED] of 0.005% (payable in full on application in Hong Kong dollars and subject to [REDACTED])**
Nominal value	:	**Not applicable**
Stock code	:	**[●]**

Sole Sponsor, [REDACTED], [REDACTED] and [REDACTED]

CHINA GALAXY INTERNATIONAL

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The [REDACTED] is expected to be fixed by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us on the [REDACTED]. The [REDACTED] is expected to be on or about [REDACTED] and, in any event, unless otherwise announced, not later than [Wednesday, 10 January 2018]. The [REDACTED] will be no more than HK$[REDACTED] and is currently expected to be no less than HK$[REDACTED] unless otherwise announced. [REDACTED] applying for the [REDACTED] must pay, on application, the maximum [REDACTED] of HK$[REDACTED] for each [REDACTED] together with a [REDACTED] fee of 1%, SFC [REDACTED] of 0.0027% and Stock Exchange [REDACTED] of 0.005%, subject to [REDACTED] if the [REDACTED] as finally determined is lower than HK$[REDACTED]. If, for any reason, the [REDACTED] is not agreed between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us on or before [REDACTED], unless otherwise announced, the [REDACTED] will not proceed and will lapse.

The [REDACTED] (for itself and on behalf of the [REDACTED]) may, where considered appropriate, reduce the indicative [REDACTED] below that which is stated in this document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and of our Company at www.top.edu.au not later than the morning of the day which is the last day for lodging applications under the [REDACTED]. For further information, see the sections headed "Structure of the [REDACTED]" and "How to Apply for the [REDACTED]" in this document.

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

Prior to making an [REDACTED] decision, prospective [REDACTED] should consider carefully all of the information set out in this document and the related [REDACTED], including the risk factors set out in the section headed "Risk Factors" in this document.

The obligations of the [REDACTED] under the [REDACTED] to subscribe for, and to procure applicants for the subscription for, the [REDACTED] are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the day that [REDACTED] in the Shares commences on the Stock Exchange. Such grounds are set out in the section headed "[REDACTED] — [REDACTED] Arrangements and Expenses — [REDACTED] — Grounds for termination" in this document. It is important that you refer to that section for further details.

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

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

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

You should rely only on the information contained in this document and the [REDACTED] to make your [REDACTED] decision. We have not authorised anyone to provide you with information that is different from the information contained in this document. Any information or representation not included in this document must not be relied on by you as having been authorised by us, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED], any of our or their respective directors, officers, employees, agents, affiliates or advisors or any other party involved in the [REDACTED].

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

OVERVIEW

We are a private higher education provider in Australia offering accredited undergraduate and postgraduate award courses in business and law. We entered the Australian international education industry in 2001, providing transitional, non-award classes for international students under the name UNE International Academy. In 2009, we became accredited as a higher education institute under the name Top Education Institute to provide our first undergraduate award in business. Since then, our Institute has expanded to encompass two academic divisions, TOP Business and TOP Law, offering a total of 20 accredited undergraduate and postgraduate award courses to 925 students enrolled at our Institute with an equivalent full-time student load ("**EFTSL**") of 809 for the first term of the academic year of 2017. According to Ipsos, in 2015, we ranked 14th in terms of student enrolment by EFTSL among private non-university higher education providers ("**NUHEPs**") in Australia and ranked third with a market share of 7.8% in terms of international onshore EFTSL among private NUHEP business schools. For more information on our market position, see the section headed "Industry Overview".

As we position our Institute to serve the diverse international education market, our student body comprises mostly international students, particularly from China. During the Track Record Period, international students constituted more than 93% of our EFTSL and students from China constituted more than 88% of our student body. We are the first and only for-profit non-university higher education provider listed on the JSJ List of 42 recognised Australian universities and higher education providers, which allows our awards to be recognised by the Ministry of Education of China and increases awareness and interest in our Institute in China. We anticipate that as disposable income increases among Chinese families, the number of Chinese students studying abroad will also grow, expanding our potential student base. In order to enhance student experience, our Institute offers a range of student services, including English language support and student academic and life counselling to help our international students adjust and adapt to Australian life. Additionally, to further facilitate international education exchanges and attract students, we maintain strong ties with the Chinese education sector through pathway programs and other cooperation endeavours with Chinese universities and other higher education providers.

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

ALLIANCE WITH PWC AUSTRALIA

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

KEY OPERATING AND FINANCIAL DATA

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

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

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

	Year ended 30 June					
	2015		2016		2017	
	AUD$'000	% of total revenue	AUD$'000	% of total revenue	AUD$'000	% of total revenue
Tuition						
Undergraduate	3,832	22.4	5,207	29.9	7,895	37.4
Postgraduate	10,301	60.2	11,088	63.7	10,766	50.9
Non-award programs	2,818	16.4	917	5.3	2,112	10.0
Total tuition	16,951	99.0	17,212	98.9	20,773	98.3
Non-tuition fees	163	1.0	196	1.1	365	1.7
Total revenue	17,114	100.0	17,408	100.0	21,138	100.0

CUSTOMERS AND SUPPLIERS

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

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

COMPETITIVE STRENGTHS

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

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

BUSINESS STRATEGIES

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

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

SUMMARY HISTORICAL FINANCIAL INFORMATION

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

Summary Statement of Profit or Loss and Other Comprehensive Income Information

	Year ended 30 June					
	2015		2016		2017	
	AUD$'000	% of total revenue	AUD$'000	% of total revenue	AUD$'000	% of total revenue
Revenue	17,114	100.0	17,408	100.0	21,138	100.0
Cost of sales	(7,712)	(45.1)	(8,055)	(46.3)	(9,977)	(47.2)
Gross profit	9,402	54.9	9,353	53.7	11,161	52.8
Other income	426	2.5	417	2.4	315	1.5
Administrative expenses	(1,762)	(10.3)	(3,591)	(20.6)	(3,448)	(16.3)
Advertising and marketing expenses	(635)	(3.7)	(1,161)	(6.7)	(1,199)	(5.7)
Other operating expenses	(98)	(0.6)	(61)	(0.4)	(60)	(0.3)
Profit before income tax	7,333	42.8	4,957	28.5	6,769	32.0
Income tax expenses	(2,572)	(15.0)	(1,515)	(8.7)	(2,167)	(10.3)
Profit for the year	4,761	27.8	3,442	19.8	4,602	21.8

Summary Statement of Financial Position Information

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

Summary Cash Flow Statement Information

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Net cash generated from operating activities	3,912	5,588	6,321
Net cash used in investing activities	(980)	(1,866)	(1,682)
Net cash used in financing activities	—	(2,664)	(6,495)
Cash and cash equivalents at the end of the year	16,898	17,956	16,100

Key Financial Ratios

	Year ended 30 June		
	2015	2016	2017
Return on assets(1) (%)	26.3	15.1	18.8
Return on equity(2) (%)	36.0	26.4	32.8
Current ratio(3)	4.0x	1.3x	2.8x

Notes:

(1) Return of assets is calculated by dividing profit for the year by the average of total assets as at the end of the year and the previous year and multiplied by 100%. The decrease in return on assets between the years ended 30 June 2015 and 2016 was due to (i) a decrease in profit for the year primarily resulting from increases in administrative expenses related to certain performance bonus payable to Dr. Zhu and in advertising and marketing expenses related to the launch of TOP Law and our new courses and (ii) an increase in total assets. This was followed by an increase in return on assets for the year ended 30 June 2017, which was primarily due to the impact of our alliance with PwC Australia and our new revenue stream from corporate training programs.

(2) Return on equity is calculated by dividing profit for the year by the average of total equity as at the end of the year and the previous year and multiplied by 100%. The decrease in return on equity between the years ended 30 June 2015 and 2016 was primarily due to the decrease in profit for the year as discussed in the above note. This was followed by an increase in return on equity for the year ended 30 June 2017, which was primarily due to the increase in profit for the year ended 30 June 2017 and the declaration of dividends for the year ended 30 June 2016.

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

INDUSTRY LANDSCAPE

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

CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, the Controlling Shareholders Group, being a group of individuals and entities who/which are our founding Shareholders or had invested in our Company at an early stage, and were acting in concert with each other in respect of the [REDACTED], is the controlling shareholder (as defined in the Listing Rules) of our Company holding approximately 45.27% of the issued share capital of our Company. Details of the confirmation deed entered into by the members of the Controlling Shareholders Group are set out under the section headed "History, Reorganisation and Company Structure — Confirmation Deed" in this document. Accordingly, Shares held by the Controlling Shareholders Group will be subject to lock-up for the period commencing on the date of this document and ending on the date which is six months from the [REDACTED] as required under Rule 10.07(1)(a) of the Listing Rules.

Immediately following completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan), our Company will be owned as to approximately [REDACTED]% by the Controlling Shareholders Group. All the members of the Controlling Shareholders Group will be our Controlling Shareholders immediately after the [REDACTED].

[REDACTED] AND [REDACTED] PERFORMANCE RIGHTS PLANS

The [REDACTED] Performance Rights Plan was adopted under written resolutions of our Board passed on 8 June 2017. As at the Latest Practicable Date, 60,160 Performance Rights had been granted to Dr. Zhu under this plan. Our Company expects to grant an additional 10,690 Performance Rights under the [REDACTED] Performance Rights Plan prior to the [REDACTED] to certain members of the Council and certain Directors, including (i) Mr. Jing Li, being our non-executive Director; and (ii) Professor Brian James Stoddart and Professor Steven Schwartz, being our independent non-executive Directors and members of the Council. The shareholding of each of Professor Brian James Stoddart and Professor Steven Schwartz in our Company will not be more than 1% of the [REDACTED] share capital of our Company upon completion of the [REDACTED] assuming that their Performance Rights above are fully vested (without taking into account any shares of our Company which may be issued upon the exercise of the [REDACTED] and the vesting of Performance Rights granted under the [REDACTED] Performance Rights Plan).

The maximum aggregate number of Shares underlying all grants of Performance Rights pursuant to the [REDACTED] Performance Rights Plan is 141,700,000 Shares assuming the total of 70,850 Performance Rights are fully vested after the completion of the share split could incur a dilution of approximately 5.3% of the shareholding of the Shareholders immediately following the [REDACTED] (without taking into account any Shares to be issued upon the exercise of the [REDACTED] and the vesting of Performance Rights granted under the [REDACTED] Performance Rights Plan). No further Performance Rights will be granted under the [REDACTED] Performance Rights Plan on or after the [REDACTED]. Please see the section headed "E. [REDACTED] Performance Rights Plan" in Appendix IV of this document.

We conditionally approved and adopted a [REDACTED] performance rights plan ("**[REDACTED] Performance Rights Plan**") on 24 October 2017, which will become effective subject to (i) the [REDACTED] of the Stock Exchange granting the [REDACTED] of, and permission to [REDACTED], [REDACTED] underlying the performance rights that maybe granted and (ii) the commencement of [REDACTED] of the Shares on the Stock Exchange. The maximum aggregate number of Shares underlying all grants of Performance Rights under the [REDACTED] Performance Right Plan or any other performance rights plan must not exceed 10% of the number of Shares in issue on the [REDACTED]. As at the Latest Practicable Date, no Performance Rights had been granted under the [REDACTED] Performance Rights Plan. Please see the section headed "F. [REDACTED] Performance Rights Plan" in Appendix IV of this document.

[REDACTED] STATISTICS[1]

The statistics below are based on the assumption that [REDACTED] are issued under the [REDACTED]:

	Based on the low end of the indicative [REDACTED] of HK$[REDACTED] per Share	Based on the high end of the indicative [REDACTED] of HK$[REDACTED] per Share
Market capitalisation of our Shares[2]	HK$[REDACTED] million	HK$[REDACTED] million
[REDACTED] adjusted combined net tangible assets per Share[3]	HK$[REDACTED]	HK$[REDACTED]

Notes:

(1) All statistics presented herein are based on the assumption that the [REDACTED] is not exercised and do not take into account any Shares which may be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan.

(2) The calculation of market capitalisation is based on the assumption that [REDACTED] Shares will be in issue immediately following completion of the [REDACTED].

(3) The [REDACTED] adjusted net tangible assets per Share is calculated after the adjustments referred to in the section headed "Financial Information — [REDACTED] Adjusted Net Tangible Assets" in this document and the section headed "A. [REDACTED] Adjusted Net Tangible Assets" in Appendix II to this document and on the basis of [REDACTED] Shares to be in issue immediately following completion of the [REDACTED]. It takes no account of any Shares which may be issued upon the exercise of the [REDACTED] or any Shares which may be issued upon the vesting ofthe Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan.

DIVIDEND POLICY

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

REASONS FOR [REDACTED]

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

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

Upon [REDACTED], our Company would have additional funds for business development and we would have more flexibility in exploring future acquisitions and partnership opportunities since we would have the option to issue [REDACTED] equities or equity-linked securities as consideration for such acquisitions. Besides, a successful [REDACTED] would enable us to [REDACTED] staff with better retention benefits through the introduction of the [REDACTED] Performance Rights Plan. The principal terms of the [REDACTED] Performance Rights Plan are summarised in the paragraph headed "Statutory and General Information — F. [REDACTED] Performance Rights Plan" in Appendix IV to this document.

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

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

[REDACTED]

The [REDACTED] from the [REDACTED], after deducting [REDACTED] fees and estimated expenses payable by us in connection with the [REDACTED], are estimated to be approximately HK$[REDACTED] million before exercise of the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per Share. We intend to use such [REDACTED] for the following purposes:

- approximately HK$[REDACTED] million (approximately [REDACTED]% of our total estimated [REDACTED]) for establishing student experience centres in China including the initial set up of the first flagship student experience centre in a first-tier city in China and the establishment of an additional five student experience centres in different cities across China in the following five years.

- approximately HK$[REDACTED] million (approximately [REDACTED]% of our total estimated [REDACTED]) for upgrading our campus infrastructure, including further digitalisation of our campus resources, updating and centralising our systems and increasing library and other information resources to support more students.

- approximately HK$[REDACTED] million (approximately [REDACTED]% of our total estimated [REDACTED]) for expanding our research and scholarship activities, including establishing a long-term research facility, expanding our budget to support research activities by our staff and students and developing a PhD course to build off our existing Master of Business Research course.

- approximately HK$[REDACTED] million (approximately [REDACTED]% of our total estimated [REDACTED]) for sales and marketing activities, such as setting up a new marketing office in Sydney's central business district and extending our network contacts across Australia, in China and in other major student sourcing countries.

- approximately HK$[REDACTED] million (approximately [REDACTED]% of our total estimated [REDACTED]) for further development of SCDP as an online program which can be made available to a wide range of students by utilising an existing MOOC platform.

- approximately HK$[REDACTED] million (approximately [REDACTED]% of our total estimated [REDACTED]) for investments to expand our presence in Australia and internationally, including (i) acquisitions, mergers or equity investments in suitable education groups or institutions in China, such as secondary schools or other education providers which may act as a source of students for our Institute and (ii) rent and facility infrastructure to establish additional physical locations in Australia, China or in other countries, such as opening new campuses in Sydney's central business district or in Tasmania, Australia.

- approximately HK$[REDACTED] million (approximately [REDACTED]% of our total estimated [REDACTED]) for working capital and general corporate purposes.

For more information, see the section headed "Future Plans and [REDACTED] — [REDACTED]" in this document.

RISK FACTORS

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

As different [REDACTED] may have different interpretations and standards for determining the materiality of a risk, you should read the entire section headed "Risk Factors" in this document carefully before you decide to [REDACTED] in the [REDACTED]. You should not place any reliance on any information contained in press articles, research analysts' reports or other media regarding us and the [REDACTED], certain of which may not be consistent with the information contained in this document.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

The second term of the 2017 academic year commenced in July 2017. We recorded student enrolment for this term of 837 EFTSL (calculated by dividing the total number of units taken in this term by 4, which is the average number of units of a single full-time student in a term). This comprised 356 EFTSL from international undergraduate students, 421 EFTSL from international postgraduate students, 54 EFTSL from domestic undergraduate students and 6 EFTSL from domestic postgraduate students.

Our revenue for the two months ended 31 August 2017 increased compared to the two months ended 31 August 2016 primarily due to an increase in tuition for international students in September 2016 and increased EFTSL following our alliance with PwC Australia.

On 17 October 2017, we received notification from TEQSA that our new Master of Business Administration, Graduate Diploma of Business Administration and Graduate Certificate of Business Administration courses had been approved for accreditation for the maximum period of seven years.

We intend to declare dividends for the profit from the two years ended 30 June 2017 prior to [REDACTED].

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

- In July 2017, we ran SCDP for the second time, with a cohort of 31 students.
- We entered into two new contracts with clients for our corporate training program.
- We have established a paid work experience program for our students for placements at various PwC Australia teams. The program provides for 100 student placements a year across multiple rounds. Placements under this program are scheduled to commence in November 2017.
- We signed memoranda of understanding with five companies for student work experience placements programs, whereby the companies will contact us when student internship positions are available for application.

For more information on our non-award program, please see the section headed "Business — Alliance with PwC Australia and Related Programs" in this document.

On 22 September 2017, we hosted a VIP visit with a delegation from China led by H.E. Qinmin Wang, Vice Chairman of Chinese People's Political Consultative Conference and Chairman of China National Chamber of Commerce, and accompanied by the Consulate-General of the PRC in Sydney. We believe that this visit helps to heighten our visibility and increase interest in our Institute in China, and provides opportunities to build new relationships with Chinese education groups.

Our Directors confirm that there has been no material adverse change in our financial or [REDACTED] position since 30 June 2017 (being the date of our latest audited statements of financial results, as set out in the Accountants' Report in Appendix I to this document) and up to the date of this document.

[REDACTED]

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

DEFINITIONS

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

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

"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"China" or "PRC"	the People's Republic of China, which, for the purpose of this document and for geographical reference only and except where the context requires, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Class A Share(s)"	class A shares of our Company, details of which are set out in the section headed "History, Reorganisation and Corporate Structure — Our [REDACTED] Investments — The Third Round [REDACTED] Investment" in this document
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "Institute", "TOP", "we", "us" or "our"	Top Education Group Ltd (ACN 098 139 176), a public company registered in New South Wales, Australia with limited liability on 2 October 2001 and trading as Top Education Institute
"Constitution"	the constitution of our Company conditionally adopted on [●] 2017 and effective upon the [REDACTED], as amended, as supplemented or otherwise modified from time to time, a summary of which is set out in Appendix III to this document
"controlling shareholder(s)"	has the meaning given to it in the Listing Rules and, unless the context otherwise requires, refers to the controlling shareholder(s) of our Company, being the Controlling Shareholders Group
"Controlling Shareholders Group"	collectively, Dr. Zhu, Mr. Yang, Tristar United, Mr. Lee, Mr. Wang and Billion Glory, being a group of six individuals and entities
"Council"	Top Education Institute Council
"Deed of Indemnity"	the deed of indemnity dated [●] 2017 given by each of the Shareholders in the Controlling Shareholders Group in favour of the Company, details of which are set out in the section headed "Statutory and General Information — G. Other Information" in Appendix IV to this document
"Director(s)"	the director(s) of our Company

DEFINITIONS

"Dr. Zhu"	Dr. Zhu Minshen 祝敏申, an executive Director, the chairman of our Board, our chief executive officer and the appointed representative of the Controlling Shareholders Group
"G&H Partners"	G&H Partners Co Pty Ltd (ACN 164 926 443), a private company registered in New South Wales, Australia with limited liability on 22 July 2013, which is owned by Gu Menghong and Lzyh Investments Pty Ltd (a company wholly-owned by Zhou Xiang Huang) in equal proportions and is a Shareholder
"[REDACTED]"	the [REDACTED] and the [REDACTED]
"[REDACTED]"	the [REDACTED] to be completed by the [REDACTED]
"GUFE"	Guangxi University of Finance and Economics
"HK$" or "HK dollars" or "cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"[REDACTED]"	the [REDACTED] Shares initially [REDACTED] by our Company for subscription at the [REDACTED] pursuant to the [REDACTED] (subject to adjustment as described in the section headed "Structure of the [REDACTED]" in this document)
"[REDACTED]"	the [REDACTED] of the [REDACTED] for subscription by the public in Hong Kong (subject to adjustment as described in the section headed "Structure of the [REDACTED]" in this document) at the [REDACTED] plus [REDACTED], SFC [REDACTED] and Stock Exchange [REDACTED], on and subject to the terms and conditions described in this document and on the [REDACTED] as further described in the section head "Structure of the [REDACTED] — [REDACTED]"
"[REDACTED]"	[REDACTED]

DEFINITIONS

"[REDACTED]"	the [REDACTED] of the [REDACTED] in the section headed "[REDACTED]" in this document
"[REDACTED]"	the [REDACTED] dated [Thursday, 28 December 2017] entered into by, among others, our Company and the [REDACTED] in connection with the [REDACTED], as further described in the section headed "[REDACTED] — [REDACTED]"
"IFRSs"	International Financial Reporting Standards
"Independent Third Party(ies)"	person(s) or company(ies) which, to the best of our Directors' knowledge having made all due and careful enquiries, is/are not connected (within the meaning of the Listing Rules) with our Company
"[REDACTED]"	the [REDACTED] Shares initially [REDACTED] by our Company for subscription or purchase pursuant to the [REDACTED] together with (where relevant) any additional Shares which may be issued by our Company pursuant to the exercise of the [REDACTED] (subject to adjustment as described in the section headed "Structure of the [REDACTED]" in this document)
"[REDACTED]"	the [REDACTED] of the [REDACTED] by the [REDACTED] outside the United States in offshore transactions in accordance with Regulation S as described in the section headed "Structure of the [REDACTED]" in this document
"[REDACTED]"	the group of [REDACTED] expected to enter into the [REDACTED] to subscribe or procure subscribers for the [REDACTED]
"[REDACTED]"	the [REDACTED] expected to be entered into on or about [Thursday, 4 January 2018] by, among others, our Company and the [REDACTED], as further described in the section headed "[REDACTED]" in this document
"Ipsos"	Ipsos Limited, a market research company which was commissioned by us to prepare the Ipsos Report and an Independent Third Party
"Ipsos Report"	a report dated [●] prepared by Ipsos in relation to the higher education industry in Australia

"Latest Practicable Date"	27 October 2017, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to the date of this document
"[REDACTED]"	the [REDACTED] of the Shares on the [REDACTED] of the Stock Exchange
"Listing Committee"	the listing sub-committee of the board of directors of the Stock Exchange
"[REDACTED]"	the date, expected to be on or about [REDACTED], on which [REDACTED]
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Loyal Creation"	Loyal Creation Investment Ltd, a company incorporated under the laws of Hong Kong with limited liability on 30 October 2015, which is owned as to 40% by Wang Weiping, 30% by Sun Lian Zhang and 30% by Yam Hau Lam and is a Shareholder
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Mr. Lee"	Amen Kwai Ping Lee 李桂平, a non-executive Director and one of the members of the Controlling Shareholders Group
"Mr. Liu"	Chaohui Liu 劉朝暉, a Shareholder
"Mr. Wang"	Xin Wang 王新, one of the members of the Controlling Shareholders Group
"Mr. Yang"	Qingquan Yang 楊清泉, one of the members of the Controlling Shareholders Group
"[REDACTED]"	the final [REDACTED] per [REDACTED] in Hong Kong dollars (denominated in HK$, exclusive of 1% [REDACTED], 0.0027% SFC [REDACTED] and 0.005% Stock Exchange [REDACTED]) of not more than HK$[REDACTED] and expected to be not less than HK$[REDACTED], at which the [REDACTED] are to be subscribed, to be determined in the manner further described in the section headed "Structure of the [REDACTED]"

DEFINITIONS

"[REDACTED]"	the [REDACTED] and the [REDACTED], together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the [REDACTED]
"Oriental Scholar"	Oriental Scholar Bridge Limited, a company incorporated under the laws of Hong Kong with limited liability on 13 July 2016, which is wholly-owned by Dai Yi, who is an Independent Third Party
"[REDACTED]"	the option expected to be granted by our Company to the [REDACTED], exercisable by the [REDACTED] (on behalf of the [REDACTED]) pursuant to the [REDACTED], pursuant to which our Company may be required to sell up to an aggregate of [REDACTED] Shares at the [REDACTED] to cover, among others, [REDACTED] in the [REDACTED], if any, further details of which are described in the section headed "Structure of the [REDACTED]" in this document
"Performance Rights"	the performance rights granted or to be granted under the [REDACTED] Performance Rights Plan or as the case may be, the [REDACTED] Performance Rights Plan
"[REDACTED] Performance Rights Plan"	the [REDACTED] performance rights plan conditionally adopted by our Board on 24 October 2017, a summary of the principal terms of which is set out in the section headed "Statutory and General Information — F. [REDACTED] Performance Rights Plan" in Appendix IV to this document
"[REDACTED] Investments"	collectively, the First Round [REDACTED] Investments, the Second Round [REDACTED] Investments and the Third Round [REDACTED] Investments, details of which are set out in the section headed "History, Reorganisation and Company Structure — Our [REDACTED] Investments" in this document
"[REDACTED] Investors"	collectively, Dr. Zhu, Loyal Creation, Billion Glory, Mr. Wang, Oriental Scholar, G&H Partners, Mr. Liu, PwC Nominees, and the Third Round [REDACTED] Investors, and each a "[REDACTED] Investor"
"[REDACTED] Performance Rights Plan"	the [REDACTED] performance rights plan conditionally adopted by our Board on 8 June 2017, a summary of the principal terms of which is set out in the section headed "Statutory and General Information — E. [REDACTED] Performance Rights Plan" in Appendix IV to this document

"[REDACTED]"	the date, expected to be on or about [REDACTED], on which the [REDACTED] is determined or such later date as the [REDACTED] (on behalf of the [REDACTED]) and our Company may agree, but in any event no later than [●] 2018
"PwC Australia"	PricewaterhouseCoopers (ABN52 780433757), Australia, certified public accountants in Australia
"PwC Nominees"	PricewaterhouseCoopers Nominees (A.C.T.) Pty Limited, a company registered in Australian Capital Territory, Australia with limited liability on 29 August 1969, which is owned as to 50% by PricewaterhouseCoopers Nominees (N.S.W.) Pty Ltd and 50% by PricewaterhouseCoopers Nominees (Victoria) Pty Ltd, a substantial Shareholder
"Regulation S"	Regulation S under the US Securities Act
"Reorganisation"	the reorganisation of our Company in preparation for the [REDACTED] involving a share split, further details of which are set out in the section headed "History, Reorganisation and Company Structure" in this document
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	share(s) in the capital of our Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shareholder's Deed"	the shareholder's deed dated 26 October 2009 entered into among Dr. Zhu, Mr. Yang, Mr. Wang, Mr. Lee, Tristar United, High Summit and our Company, as subsequently amended by (i) the amended shareholder's deed dated 27 May 2016 entered into among the same parties and PwC Nominees and (ii) the second amended shareholder's deed dated 28 July 2016 entered into among the Controlling Shareholders Group, PwC Nominees, Loyal Creation, Oriental Scholar, Xinjiang Guoli, the Third Round [REDACTED] Investors (pursuant to deeds of accessions dated 26 April 2017 and 27 April 2017 signed by the Third Round [REDACTED] Investors), and TOP
"[REDACTED]", "[REDACTED]", "[REDACTED]" and "Sole Sponsor"	China Galaxy International Securities (Hong Kong) Co., Limited

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time
"Third Round [REDACTED] Investors"	collectively, Kai Zhang, TD Seymour Pty Ltd, QS5 Pty Limited, Carter Oaktree Pty Ltd, Caves Kumar and Co Pty Ltd, New Hampshire Pty Ltd, Hayden Scott and Capital Custodians Pty Ltd and M&S McGrath Investments Pty Ltd, further details are set out in the section headed "History, Reorganisation and Company Structure — Our Shareholders" in this document
"TOP Business"	Sydney City School of Business
"TOP Law"	Sydney City School of Law
"Track Record Period"	the period comprising the three years ended 30 June 2017
"Tristar United"	Tristar United Investment Limited (NZ), a company incorporated under the laws of New Zealand with limited liability on 12 November 2001, which is owned as to 30% by Dian Jian Yong, 30% by Stanly Cheung S.W., 23% by Mo Lindi and 17% by Zhang Dongbo, who are Independent Third Parties, and is a Shareholder
"[REDACTED]"	the [REDACTED] and the [REDACTED]
"[REDACTED]"	the [REDACTED] and the [REDACTED]
"US" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
"[REDACTED]"	the [REDACTED] for use by the public who require(s) such [REDACTED] to be issued in the applicant's own name
"[REDACTED]"	the application for [REDACTED] to be issued in the applicant's own name by submitting applications online through the designated website of [REDACTED] at [REDACTED]
"[REDACTED]"	[REDACTED]

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

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

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

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

GLOSSARY

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

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

GLOSSARY

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

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

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

RISKS RELATING TO OUR BUSINESS

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

International students constituted more than 93% of our EFTSL during the Track Record Period. In particular, students from China constituted more than 88% of our student body during the Track Record Period. The growth of international students in Australia, especially from China, has contributed to our operational and financial growth to date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our operations depend upon the availability of adequate campus space for our students and staff in a convenient location. We currently lease space for classrooms, administrative offices and student facilities at ATP, a heritage site that houses a variety of business, education and research institutions. We have entered into leases for our campus facilities under a number of lease and sublease contracts as further described in the section headed "Business — Facilities and Equipment". All of the leases will expire in 2020 and, with the exception of one lease contract, we have the option to renew the leases for a further three years until 2023. There is no guarantee that such agreements will be renewed in 2023 on favourable terms or at all.

The lease and sublease contracts contain provisions, as is not uncommon in multi-tenanted premises, that the landlord can terminate the lease on at least six months' notice for substantial repair or renovation of the building in which our campus facilities are located, subject to certain conditions which the landlord should meet. One of the landlords, Mirvac Projects (Retail and Commercial Pty Limited), has contacted us and all their other ATP tenants to commence a consultation process about a potential future refurbishment of the Locomotive Workshop building, including Bay 16 which comprises part of our leased premises. In October 2017, the landlord informed us that it had no confirmed plans for potential refurbishment and we had not been informed as at the Latest Practicable Date of any future planning proposal. It is uncertain whether the landlord will proceed with any refurbishment or, if it does, what would be the extent and nature of the refurbishment and whether the refurbishment would impact the current premises. In addition, the timing of the commencement of any such refurbishment, should it proceed at all, is uncertain, as any work of a major nature or that affects the significance of a heritage item requires the approval of the City of Sydney Council and the Heritage Council. The lease and sublease contracts also contain other provisions for early termination, such as a change in control provision. If our lease is terminated early for any reason, there is no guarantee that we will be able to find adequate replacement facilities in a timely manner, or at all. If we are unable to maintain our existing campus location or establish a new location on favourable terms, our financial conditions, prospects and business may be adversely affected.

RISKS RELATING TO HIGHER EDUCATION PROVIDERS IN AUSTRALIA

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

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

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

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

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

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

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

Furthermore, we may face competition at an international level. During the Track Record Period, more than 93% or our EFTSL was attributable to international students, originating mostly from China. International students have a wide range of options. Changes in global economic, political and social factors relating to the education industry may affect the popularity of Australia in comparison with other countries as a destination for international higher education. For example, changes in foreign exchange rates, costs of living or student visa laws may make education in a different country more affordable or easily accessible than Australia. Moreover, as China develops its own domestic higher education system to become more sophisticated and diversified, Chinese students may be less inclined to travel overseas for education.

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

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

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

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

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

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

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

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

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

We rely substantially on our academic staff for the provision of educational services to our students. Our academic staff are therefore critical to maintaining the quality of our courses and services and upholding our brand and reputation. As at 30 June 2017, we had a team of 69 academic staff. All of them are qualified at least one AQF level above the class they are teaching in accordance with regulatory requirements or have equivalent professional experience (for example, a master degree class must be taught by an instructor with a doctoral degree).

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

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

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

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

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

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

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

Our future success depends upon the continuing services of our Directors, governance team and management team and in particular, Dr. Zhu, our founder, an executive Director, the chairman of our Board and our chief executive officer. If one or more of our Directors, governance, management or other key personnel are unable or unwilling to continue their employment with us, we may not be able to replace them in a timely manner or at all, and our business may be disrupted and our financial condition and results of operations may be materially and adversely affected. We believe that competition for experienced directors or governance or management personnel in the higher education sector is intense, and the pool of available, qualified candidates is very limited. We may not be able to retain the services of our Directors or governance, management or key personnel, or attract and retain high-quality personnel in the future. In addition, in the event we lose their services, or if any member of our Directors, or governance or management team or other key personnel joins a competitor or forms a competing company, we may lose students, key professionals and staff members. As a result, our business, financial condition, prospects and results of operations may be materially and adversely affected.

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

Growth strategies may not be successfully executed.

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

- we may not be able to attract sufficient students or corporate customers to our expanded award courses and non-award programs offerings;

- we may fail to identify new locations or joint partners with sufficient growth potential in which to establish new education courses;

- we may fail to acquire or lease suitable sites to support our expansion plans;

- we may not be able to admit all qualified students who are interest in our Institute due to the capacity constraints of our facilities and staffing levels;

- we may not be able to obtain required regulatory approvals or professional accreditations in a timely manner or at all for our expanded operations;

- we may not be able to effectively market our courses or brand in new markets or promote ourselves in existing markets;
- we may not be able to continue to enhance our course materials or adapt our course materials to changing student needs and teaching methods;
- we may not be able to follow the expected timetable with respect to the development of new courses; and
- we may not fully achieve the benefits we expect from any expansion or growth plans.

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

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

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

We submitted applications on 6 June 2017 for registration of our Company's logo in Australia and Hong Kong. As at the Latest Practicable Date, the registrations of such trademark had not yet been approved and we had not received any notice of objection to the registration of the trademark from any third party. However, there can be no assurance that the use of such logo by our Company will not infringe the intellectual property rights of any third party or otherwise violate any laws of Australia or Hong Kong. Any liability claim in relation to our use of such logo made or threatened to be made against us in the future, regardless of its merits, could result in costly litigation and strain our administrative and financial resources.

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

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

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

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

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

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

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

There are inherent risks of accidents or injuries suffered by our students, our employees or others. We could be held liable in the event of personal injuries, fires or other accidents suffered by students, employees or other people that occur on our campus. In the event of personal injuries, disease, food poisoning, fires or other accidents suffered by students or other people, we could face claims alleging that we were negligent, that we provided inadequate supervision or that we were otherwise liable for the injuries. We have purchased public liability insurance with an insurance limit of AUD$20.0 million, which is due for renewal on 31 January 2018. However, a successful liability claim against us due to injuries suffered by our students or other people on our campus could adversely affect our reputation and subject us to liability, thereby impacting our financial results. Even if unsuccessful, such a claim could cause unfavourable publicity that adversely affects our reputation, require substantial cost to defend and divert the time and attention of our management.

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

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

RISKS RELATING TO THE [REDACTED] AND THE SHARES

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

Prior to the [REDACTED], no [REDACTED] existed for our Shares. The initial [REDACTED] to the [REDACTED] for our Shares is the result of negotiations between us and the [REDACTED] on behalf of the [REDACTED], and the [REDACTED] may differ significantly from the [REDACTED] for our Shares following the [REDACTED]. There is no assurance that an active [REDACTED] market for our Shares will develop following the [REDACTED] or, if it does develop, that it will be sustained or that the [REDACTED] for our Shares will not decline below the initial [REDACTED].

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

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

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

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

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

We adopted the [REDACTED] Performance Rights Plan on 8 June 2017 and as at the Latest Practicable Date, we had granted 60,160 Performance Rights under that plan. Our Company expects to grant an additional 10,690 Performance Rights under the [REDACTED] Performance Rights Plan prior to the [REDACTED] to certain members of the Council and certain Directors. The maximum aggregate number of Shares underlying all grants of Performance Rights pursuant to the [REDACTED] Performance Rights Plan is 141,700,000 Shares assuming the total of [REDACTED] Performance Rights are fully vested after the completion of the share split could incur a dilution of approximately [REDACTED] of the shareholding of the Shareholders immediately following the [REDACTED] (without taking into account any Shares to be issued upon the exercise of the [REDACTED] and the vesting of Performance Rights granted under the [REDACTED] Performance Rights Plan). Please see the section headed "E. [REDACTED] Performance Rights Plan" in Appendix IV of this document.

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

[REDACTED] in our Company may be subject to restrictions under Australian foreign investment laws.

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

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

A "foreign person" should not be required to obtain prior approval by the Treasurer of Australia to acquire our Shares as part of the [REDACTED] unless they are a "foreign government [REDACTED]". For non-land business [REDACTED] in Australia, a "foreign person" from a Free Trade Agreement partner country is required to obtain prior approval of the Treasurer of Australia to acquire 10% or more of an entity or business if the value of that entity or business exceeds AUD$1,094 million. A "foreign person" from a country that is not a Free Trade Agreement partner country is required to obtain prior approval of the Treasurer of Australia to acquire 10% or more of an entity or business if the value of that entity or business exceeds AUD$252 million. However, a "foreign government [REDACTED]" must obtain the prior approval of the Treasurer of Australia before making acquiring 10% or more of a business in Australia, regardless of the value of that entity or its assets. For more information, see the section headed "Regulatory Overview — Regulations in Relation to Foreign Investment in Australia".

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

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

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

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

In preparation for the [REDACTED], our Company has sought the following [REDACTED] from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

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

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

(i) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorised representatives of our Company are Dr. Zhu, the chairman of our Board, the chief executive officer and our executive Director, and one of our joint company secretaries, Ms. Yuk Yin Ivy Chow who is ordinarily resident in Hong Kong;

(ii) any meeting between the Stock Exchange and our Directors will be arranged through the authorised representatives or our compliance adviser or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorised representatives and our compliance adviser;

(iii) each of our authorised representatives will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email;

(iv) each of our authorised representatives has means to contact all members of the Board (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters. To enhance the communication between the Stock Exchange, the authorised representatives and the Directors, we have implemented a policy that (a) each Director will provide their respective office phone numbers, mobile phone numbers, facsimile numbers and email addresses to the authorised representatives and (b) all the Directors and authorised representatives will provide, if available, their office phone numbers, mobile phone numbers, facsimile numbers and email addresses to the Stock Exchange. In the event that a Director expects to travel or is out of office, he/she will provide the phone number of the place of his/her accommodation to our authorised representatives;

(v) the Directors, who are not ordinarily resident in Hong Kong, have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and are able to meet with the Stock Exchange within a reasonable period of time;

(vi) we have, in compliance with Rule 3A.19 of the Listing Rules, appointed China Galaxy International Securities (Hong Kong) Co., Limited as our compliance adviser who will, among other things, in addition to the two authorised representatives of our Company, act as the additional channel of communication with the Stock Exchange for the period commencing from the [REDACTED] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [REDACTED]. China Galaxy International Securities (Hong Kong) Co., Limited will have full access at all times to the authorised representatives of our Company and the Directors; and

(vii) we will also retain legal advisers to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the [REDACTED].

APPOINTMENT OF JOINT COMPANY SECRETARIES

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

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

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

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

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

(i) We engage Ms. Chow as a joint company secretary of our Company for a minimum period of three years commencing from the [REDACTED]. During such period of engagement, Ms. Chow will work closely with, and provide assistance to, Ms. Ying in the discharge of her duties as a company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules;

(ii) the waiver will be revoked immediately if, save and except for health reasons, Ms. Chow ceases to provide assistance to Ms. Ying as the joint company secretary for the three-year period after [REDACTED] (in which case we will appoint a new joint company secretary who satisfies the relevant requirements under the Listing Rules and re-apply for a new waiver);

(iii) Ms. Ying will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED];

(iv) our Company will further ensure that Ms. Ying has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer [REDACTED] on the Stock Exchange;

(v) at the end of the three-year period, the qualifications and experience of Ms. Ying and the need for on-going assistance of Ms. Chow will be further evaluated by our Company; and

(vi) our Company will liaise with the Stock Exchange to enable it to assess whether Ms. Ying, having benefited from the assistance of Ms. Chow for three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of note 2 of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

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

NO DEALING IN SECURITIES BY CONNECTED PERSON FROM FOUR CLEAR BUSINESS DAYS BEFORE HEARING UNTIL [REDACTED]

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

[REDACTED] Investment by Mr. Thomas Richard Seymour and Mr. Kai Zhang

On 26 April 2017 and 27 April 2017, each of TD Seymour Pty Ltd (ACN 609 660 139) ("**TD Seymour**") and Mr. Kai Zhang, respectively, subscribed for, and our Company has issued, 10,504 Class A Shares and 10,488 Class A Shares, to TD Seymour and Mr. Kai Zhang, respectively. Pursuant to the terms of their subscription for the above Class A Shares, each Class A Share will convert into an ordinary share in the share capital of our Company on the earlier to occur of (a) 31 December 2020, or (b) five Business Days prior to the issue of this document, or (c) such other earlier date determined by our Board in good faith to facilitate the [REDACTED] or the Trade Sale.

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

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

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

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

(a) the material terms of their [REDACTED] investment, including the Pre-[REDACTED] Conversion, which are disclosed in the section headed "History, Reorganisation and Company Structure — Our [REDACTED] Investments" in this document, provide sufficient information to enable potential investors to make a properly informed assessment of our Company;

(b) the Pre-[REDACTED] Conversion will automatically occur five Business Days prior to the issue of this document and does not require any additional consideration to be paid by any of the parties concerned; and

(c) the identity of the ultimate shareholders of TD Seymour (including Mr. Thomas Richard Seymour) and the respective percentage of interests of TD Seymour and Mr. Kai Zhang in our Company will not be changed by the Pre-[REDACTED] Conversion (other than any dilution effect arising from the [REDACTED]) nor would they benefit from the Pre-[REDACTED] Conversion by compromising the interests of potential investors in our Company.

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

[(i) the material terms of their [REDACTED] investment, including the Pre-[REDACTED] Conversion, which are disclosed in the section headed "History, Reorganisation and Company Structure — Our [REDACTED] Investments" in this document, provide sufficient information to enable potential investors to make a properly informed assessment of our Company;

(ii) the Pre-[REDACTED] Conversion does not require any additional consideration to be paid by any of the parties concerned; and

(iii) the number and percentage of Shares to be transferred under the Pre-[REDACTED] Conversion are disclosed in this document, and the Pre-[REDACTED] Conversion will occur before the date of this document.]

CONNECTED TRANSACTIONS

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

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

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

For further information regarding our Directors, please refer to the section headed "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Party	Name and Address
Sole Sponsor, [REDACTED], [REDACTED], [REDACTED]	**[REDACTED]** 20th Floor, Wing On Centre 111 Connaught Road Central Sheung Wan Hong Kong
Legal advisers to the Company	*As to Hong Kong law:* **Kwok Yih & Chan** Suites 2103–05, 21st Floor 9 Queen's Road Central Hong Kong *As to Australian law:* **Deutsch Miller** Level 9, 53 Martin Place Sydney, New South Wales 2000 Australia
Legal advisers to the Sole Sponsor and [REDACTED]	*As to Hong Kong law:* **Norton Rose Fulbright Hong Kong** 38/F, Jardine House 1 Connaught Place Central, Hong Kong *As to Australia law:* **Norton Rose Fulbright Australia** Level 18, Grosvenor Place 225 George Street Sydney, New South Wales 2000 Australia
Auditor and reporting accountants	**Ernst & Young** 22/F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong
[REDACTED]	[●]

CORPORATE INFORMATION

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

CORPORATE INFORMATION

Hong Kong [REDACTED]	[REDACTED]
Australia [REDACTED]	[REDACTED]
Compliance Adviser	China Galaxy International Securities (Hong Kong) Co., Limited 20th Floor, Wing On Centre 111 Connaught Road Central Sheung Wan Hong Kong
Principal banks	Bank of China (Australia) Limited 39–41 York Street Sydney 2000 Australia Australia and New Zealand Banking Group Limited Pacific Square Shop 2 707–745 Anzac Parade Maroubra Janction 2035 Sydney Australia

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

OVERVIEW OF HIGHER EDUCATION INDUSTRY IN AUSTRALIA

Background of Australian Education System

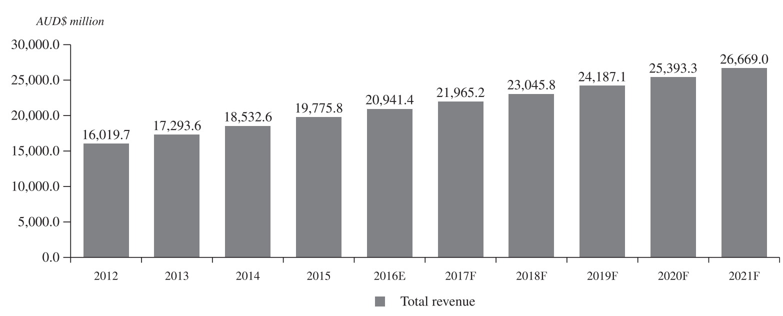
Tertiary education in Australia refers to all formal post-secondary education, which includes two components, higher education and vocational education and training. Higher education focuses on academics and enables graduates to undertake professional works and academic research. Vocational training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

Higher Education in Australia

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

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

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

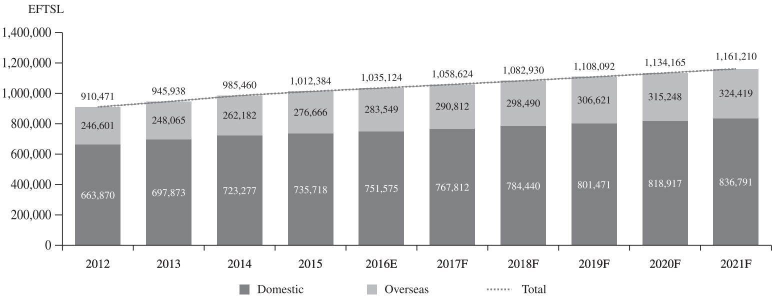


Source: Ipsos Report

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

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

Total number of higher education students enrolment (EFTSL) in Australia from 2012 to 2021



Source: Ipsos Report

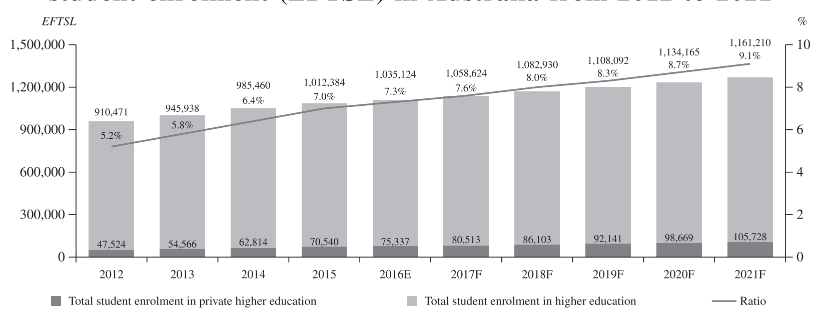
Private Higher Education in Australia

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

According to Ipsos, public universities dominate the higher education market in Australia in terms of EFTSL, holding approximately 95% of the market among domestic students and approximately 88% of the market among international students in 2016. However, private higher education providers generally compete in distinct parts of the market separate from Australian universities. Universities typically cover several different fields of education, whereas private higher education providers tend to be more niche-oriented and concentrated in selected fields, in particular, business, creative and applied arts, health and wellbeing, theology and information technology. According to Ipsos, the total EFTSL for private higher education providers increased at a CAGR of 11.2% from 2012 to 2015, which was significantly higher than that for public universities, which increased at a CAGR of only 3.0% during the same period.

Although private higher education providers only accounted for a minority share of the total higher education EFTSL in Australia, their percentage share has grown steadily. According to Ipsos, the share of private higher education providers in terms of EFTSL increased from 5.2% in 2012 to 7.3% in 2016 and is expected to reach 9.1% in 2021. This is primarily due to greater expected growth in the number of private higher education EFTSL, as private higher education providers offer more niche and innovative offerings, while universities are expected to experience saturation. The following chart shows the historical and projected changes in the ratio of private higher education to total higher education in terms of EFTSL in Australia from 2012 to 2021:

Ratio of private higher education students enrolment to total higher education student enrolment (EFTSL) in Australia from 2012 to 2021

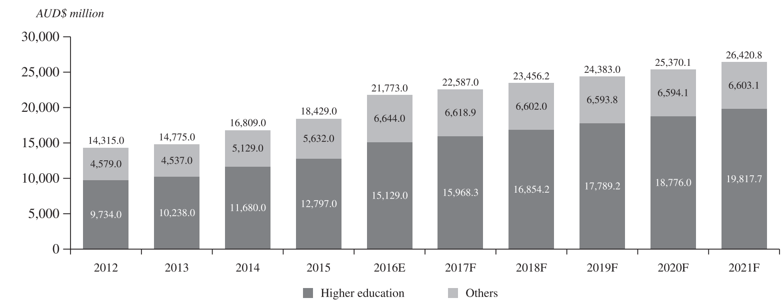


Source: Ipsos Report

Export of Higher Education Services

Provision of education services to students from overseas is a major export industry in Australia. Education-related services export income comprises education-related personal travel services expenses (such as tuition fees and living expenses), other education services income (such as education consulting services), and royalties on education services. Education-related services export has contributed significantly to the national economy of Australia and, according to Ipsos, education-related services export was the third largest export industry in Australia in terms of total export value and the largest service export industry in 2016. Education-related services export has been growing over the years. The total value of education-related personal travel services export grew from AUD$14.3 billion in 2012 to AUD$21.8 billion in 2016 at a CAGR of 11.1%. Higher education accounts for the majority of education-related personal travel services export income and is growing at a faster rate than the other segments generally, increasing from AUD$9.7 billion (or 68.0% of the sector) in 2012 to AUD$15.1 billion (or 68.9% of the sector) 2016 at a CAGR of 11.7%. According to Ipsos, growth in the higher education segment of education-related personal travel services export is driven by growth in key source markets, rising average incomes in developing economies, constraints in the domestic supply of quality education within key markets and changing workforce needs in a global economy. Education-related personal travel services export income is expected to continue to grow at a CAGR of 4.0% overall between 2017 to 2021 and at a CAGR of 5.5% for the higher education segment between 2017 and 2021. The following chart shows the historical and projected changes in education-related personal travel services export income in Australia from 2012 to 2021:

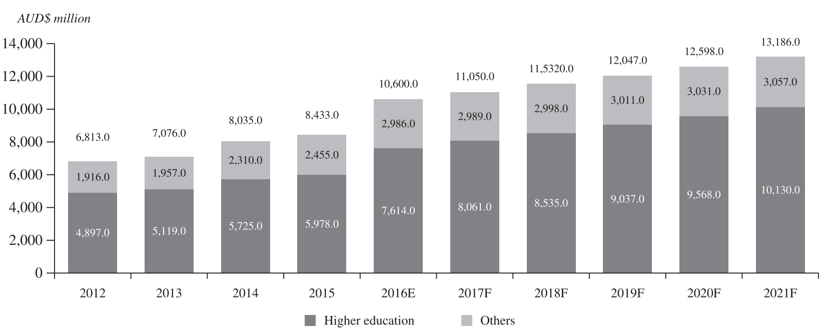
Education-related personal travel services export income by segment from 2012 to 2021



Source: Ipsos Report

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

Onshore tuition income from international students from 2012 to 2021



Source: Ipsos Report

According to Ipsos, the percentage of higher education students in Australia who are international students increased from 22.9% in 2012 to 25.0% in 2015, indicating a strong growing international education sector in Australia. Australia is a popular education destination for international students. According to Ipsos, in 2017, Australia ranked first in terms of the most welcoming and safest countries to international students, and third in terms of countries which offer the best quality of education to international students, based on international survey results. In order to further support the growth of international education export, the Australian government introduced a ten-year plan in 2016 called the "National Strategy for International Education 2025".

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

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

CHINESE INTERNATIONAL STUDENTS IN AUSTRALIA

China constitutes the largest source of international students in Australia. According to Ipsos, the number of Chinese students in Australia grew from approximately 117,000 in 2012 to approximately 176,000 in 2016 at a CAGR of 10.8%. China is expected to remain the largest source of international students in Australia through to 2025, with the number of Chinese students studying in Australia expected to grow from approximately 185,000 in 2017 to approximately 218,000 by 2021, at a CAGR of 4.1%. China is also the largest contributor to Australia education-related personal travel services export, contributing more than twice as much as India, the second-largest source. The export value of education-related personal travel services from China increased from AUD$3,939.0 million (or 27.1% of total for all countries) in 2012 to AUD$6,060.0 million (or 27.6% of total for all countries) in 2016, at a CAGR of 11.4%.

According to Ipsos, the top four English-speaking destination countries for PRC students pursuing tertiary education abroad are, in order, the United States, Australia, the United Kingdom and Canada. The number of PRC students studying for tertiary education in these four countries has increased from approximately 406,000 in 2012 to approximately 606,000 in 2016, at a CAGR of 10.7%. The number of PRC students studying for tertiary education in Australia has increased from approximately 90,000 in 2012 to approximately 108,000 in 2016, at a CAGR of 4.6%. PRC students pursuing higher education in Australia accounted for approximately 90% of the total number of Chinese tertiary education students in Australia between 2012 and 2016.

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

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

In December 2010, the Ministry of Education of China officially published the JSJ List with 42 recognised Australian universities and higher education providers. Of the 42 higher education providers listed, our Company is the only for-profit NUHEP. This increases our profile and brand awareness in China. Additionally, degrees from the higher education providers on the JSJ List will be recognised in the PRC for further study and for employment in government-owned institutions, which we believe is an important asset for Chinese students who are interested in studying abroad and then returning to China. According to Ipsos, the number of Chinese students who study overseas and return to China rose from approximately 273,000 in 2012 to approximately 433,000 in 2016 at a CAGR of 9.7%.

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

TRENDS IN THE HIGHER EDUCATION INDUSTRY OF AUSTRALIA

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

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

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

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

BENCHMARKS FOR AUSTRALIAN HIGHER EDUCATION PROVIDERS

Key performance metrics in higher education are used to evaluate measures of quality. We believe the following benchmarks are relevant to assessing higher education providers in Australia, including universities and NUHEPs: (i) duration of TEQSA registration period, (ii) conditions imposed by TEQSA on registration, (iii) student attrition rates, (iv) graduate employment rate and (v) tuition fee. We benchmark our Institute against others using publicly available data.

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

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

Source: Ipsos Report

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

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

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

Source: Ipsos Report

- *Student attrition rates.* High attrition is often associated with less academically prepared cohorts and a less-than-optimal delivery environment, which will likely affect revenue for higher education providers. The table below shows the quartile points in terms of percentage of students that do not complete their first year of study from higher education providers in each group. According to Ipsos, for-profit NUHEPs in the lowest quartile had attrition rates of up to 22% of their first year students, while for-profit NUHEPs in the highest quartile had attrition rates of above 36% of their first-year students in 2014. Our student attrition rate for all students overall was approximately 10.6% in 2015.

Year 1 Attrition rate — quartile points in Australia in 2014

Higher Education Providers	1st Quartile	Median	3rd Quartile
Universities	15%	18%	23%
For-profit NUHEPs	22%	28%	36%
Not-for-profit NUHEPs	22%	27%	36%
TAFEs	31%	31%	38%

Source: Ipsos Report

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

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

Source: Ipsos Report

Note:

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

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

COMPETITIVE LANDSCAPE

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

Private NUHEP Rankings

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

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

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

Rank	Institution	International Onshore EFTSL	Est. Market Share by International Onshore EFTSL
1	Company A[(1)]	4,144	48.8%
2	Company B[(2)]	1,520	17.9%
3	**Our Company**	664	7.8%
4	Company C[(3)]	581	6.8%
5	Company D[(4)]	483	5.7%
	Others	1,101	13.0%
	Total	**8,493**	**100%**

Source: Ipsos Report

Notes:

(1) Company A is headquartered in Melbourne and has multiple campus locations, including one in Sydney. Its student body is primarily international students and its offerings focus on business, IT and fashion.

(2) Company B is headquartered in Sydney and has multiple campus locations. It offers undergraduate and postgraduate business courses.

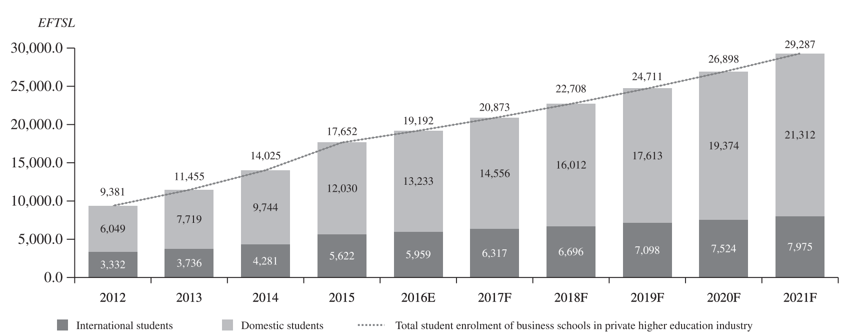
(3) Company C is a Sydney-based college that offers both vocational and higher education, with a focus on programs in management and commerce, mainly for international students.

(4) Company D is a Sydney-based college that operates under a number of different trading names. It offers both vocational and higher education programs and its higher education programs are focused on international students studying in management and commerce.

Private Higher Education Business School Market

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

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



Source: Ipsos Report

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

Private Higher Education Law School Market

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

Future Opportunities for Private NUHEPs in Australia

- *Increasing number of international students*. The growth of international students and increasing demand for international education create opportunities for private NUHEPs. Between 2013 and 2015, in Australia, the number of international onshore students enrolled in for-profit NUHEPs grew by 46% compared to 12% for universities.

- *Attractiveness of Australia among international competitors*. The relative weakness of the Australian dollar is likely to attract students who may otherwise opt to study in the United Kingdom or the United States. Additionally, any uncertainties relating to visa processes for key competitor countries, such as the effect of Brexit on the United Kingdom, may also increase interest in Australia as a destination country for study.

- *Employment prospects of private NUHEPs*. As students and families are increasingly concerned with post-graduation employment rates, private NUHEPs who are able to offer students practical, workplace experiences such as internships have the opportunity to differentiate their offerings and attract a larger cohort. Private NUHEPs may be more nimble and responsive to market and student needs compared to universities which often operate through more complex governance structures.

Entry Barriers and Threats to Private NUHEPs in Australia

- *High regulatory and financial requirements*. Prospective higher education providers are required to apply to TEQSA and demonstrate compliance with a suite of extensive and demanding standards. The cost and the time required to develop a prospective higher education provider prior to application is already significant and can typically take more than one year. The assessment process by TEQSA must be complete within a legislative timeframe of nine months, preceded by a one-month preliminary assessment. If successful, registered providers would need to undertake further applications in order to provide necessary functions such as access to the higher education student loan scheme for domestic students or approval to deliver higher education to international students.

- *Time and financial cost related to course accreditations.* In addition to becoming accredited as a higher education provider, it takes considerable time and financial cost to receive course accreditation from TEQSA and relevant professional accreditation bodies in Australia when developing and offering new courses. Such regulatory requirements further increase the investment and cost of operations for potential market players in higher education industry.

- *Competition from large, established players.* Brands and marketing channels are also entry barriers as it is not easy to attract students to pursue higher education at a newly established institution when a number of existing players with strong track records already exist.

- *National policy settings in higher education or immigration may have an adverse effect on private higher education.* Recently, Australia government passed reforms to replace "457 visas" which enabled international student employment with a temporary visa that did not necessarily lead to permanent residency. As many students in the past used to commence with student visas, then move to 457 visas and subsequently apply for permanent residency, this reform may create a disincentive for students electing Australia as a long-term education and residency destination.
- *Digital technologies.* Digital technologies present a challenge to all higher education providers in terms of course delivery. Online learning creates pressure on higher education providers to offer innovative learning modes of delivery, and the learning and teaching infrastructure will need to be more sophisticated to attract financial investment from students and parents.

COSTS FOR AUSTRALIAN HIGHER EDUCATION PROVIDERS

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

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

THE IPSOS REPORT

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

REGULATIONS IN RELATION TO HIGHER EDUCATION IN AUSTRALIA

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

The TEQSA Act

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

The objects of the TEQSA Act are:

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

TEQSA

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

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

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

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

Registration as higher education providers

TOP obtained the most recent registration renewals as a higher education provider with TEQSA in 2015 for a period of seven years, which is the maximum allowed renewal period that could be granted at the time. The current registration renewal of TOP with TEQSA is without conditions. TOP may apply for another registration renewal upon the end of the current renewal period and TEQSA may renew the registration of TOP as a higher education provider if TEQSA is satisfied that TOP meets the HES Framework. TEQSA must, within 30 days after an application is made, make a preliminary assessment as to the appropriateness of the application for registration in a provider category and whether an application is required for a course of study to be accredited. TEQSA must make a decision on the registration application within either:

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

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

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

Education provider categories

The HES Framework makes provision for the following provider categories:

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

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

Australian University of Specialisation

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

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

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

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

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

Accreditation levels under the AQF

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

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

(a) Accreditation of Diploma qualifications

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

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

(b) Accreditation of Associate Degree qualifications

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

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

(c) Accreditation of a Bachelor Degree qualification

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

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

(d) Accreditation of Graduate Certificate qualifications

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

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

(e) Accreditation of Graduate Diploma qualifications

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

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

(f) Accreditation of Masters Degree qualifications

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

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

TEQSA'S ACCREDITATION OF COURSES OF STUDY OFFERED BY TOP

TEQSA is the accrediting authority of courses of study currently offered by TOP. The registration of TOP as a higher education provider is due for renewal on 5 March 2022. The status of the TEQSA accreditation of the courses of study offered by Top as at the Latest Practicable Date (as defined in the document for the [REDACTED]) is as follows:

Course	TEQSA registration renewal date or status
Associate Degree in Applied Finance and Accounting	Accredited, renewal date is 17/12/2022
Associate Degree of Business	Accredited, renewal date is 05/03/2022
Bachelor of Applied Finance and Accounting	Accredited, renewal date is 17/12/2022
Bachelor of International Business	Accredited, renewal date is 05/03/2022
Bachelor of Laws	Accredited, renewal date is 08/08/2020
Diploma of Applied Finance and Accounting	Accredited, renewal date is 17/12/2022
Diploma of Business	Accredited, renewal date is 05/03/2022
Graduate Certificate in Accounting	Accredited, renewal date is 30/06/2023
Graduate Certificate in Business Research	Accredited, renewal date is 18/11/2022
Graduate Certificate of Business Management	Accredited, renewal date is 18/07/2020
Graduate Diploma in International Business	Accredited, renewal date is 18/07/2020
Graduate Diploma in Marketing and Public Relations	Accredited, renewal date is 18/07/2020
Graduate Diploma of Accounting	Accredited, renewal date is 30/06/2023
Master of Accounting Practice	Accredited, renewal date is 18/11/2022
Master of Business Research	Accredited, renewal date is 18/11/2022
Master of International Business	Accredited, renewal date is 18/07/2020
Master of Laws	Accredited, renewal date is 23/10/2022
Master of Marketing and Public Relations	Accredited, renewal date is 18/07/2020
Master of Professional Accounting	Accreditation ongoing pending renewal
Master of Professional Accounting and Business	Accreditation ongoing pending renewal

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

Applications for accreditation and renewal of courses

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

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

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

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

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

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

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

TEQSA's powers

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

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

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

If a higher education provider breaches the TEQSA Act or a condition of the accreditation, TEQSA has wide enforcement powers. It may, among other things:

- shorten the period of, or cancel the, accreditation of the course of study;

- shorten the period of the provider's registration; or
- TEQSA may cancel the provider's registration.

In addition, civil penalties up to 600 penalty units (AUD$126,000) may be imposed for offences under the TEQSA Act.

HES Framework

The HES Framework represents the minimum acceptable requirements for the provision of higher education in or from Australia by higher education providers registered under the TEQSA Act. They were formulated pursuant to s58(1) of the TEQSA Act and commenced on 1 January 2017.

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

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

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

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

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

- **Assessments:** Methods of assessment are to be consistent with the learning outcomes being assessed, are to be capable of confirming that all specified learning outcomes are achieved and that grades awarded reflect the level of student attainment.

- **Diversity:** Institutional policies, practices and approaches to teaching and learning are to be designed to accommodate student diversity, including the under-representation and/or disadvantage experienced by identified groups, and create equivalent opportunities for academic success regardless of students' backgrounds.
- **Award of qualifications:** Qualifications, other than higher doctoral or honorary qualifications, are to be awarded only if a course of study leads to the award of that qualification and all of the requirements of the course of study have been fulfilled.
- **Facilities:** Facilities, including facilities where external placements are undertaken, are to be fit for their educational and research purposes and accommodate the numbers and educational and research activities of the students and staff who use them. The learning resources relate directly to the learning outcomes, are to be up to date and, where supplied as part of a course of study, are to be accessible when needed by students.
- **Student access to services:** A safe environment is promoted and fostered, including by advising students and staff on actions they can take to enhance safety and security on campus and online. Timely, accurate advice on access to personal support services is to be made available, including for access to emergency services, health services, counselling, legal advice, advocacy, and accommodation and welfare services.
- **Grievance procedures:** Current and prospective students are to have access to mechanisms that are capable of resolving grievances about any aspect of their experience with the higher education provider, its agents or related parties.
- **Staffing levels:** The staffing complement for each course of study is to be sufficient to meet the educational, academic support and administrative needs of student cohorts undertaking the course.
- **Research activities:** Research is to be conducted, or overseen, by staff with qualifications, research experience and skills relevant to the type of research undertaken and their role. A system for accurate and up-to-date recording of the research outputs of staff and research students is maintained.
- **Academic misconduct:** There are to be policies that promote and uphold the academic and research integrity of courses and units of study, research and research training activities, and institutional policies and procedures address misconduct and allegations of misconduct.
- **Governance:** There is to be a formally constituted governing body, which includes independent members, that exercises competent governance oversight of and is accountable for all of the higher education provider's operations in or from Australia, including accountability for the award of higher education qualifications, for continuing to meet the requirements of the HES Framework and for the provider's representation of itself. Members of the governing body:
  - — are to be fit and proper persons; and
  - — must meet the Australian residency requirements, if any, of the instrument under which the provider is established or incorporated, or otherwise there are at least two members of the governing body who are ordinarily resident in Australia.
- **Academic governance:** Processes and structures are to be established and responsibilities are to be assigned so that there is academic oversight which assures the quality of teaching, learning, research and research training.
- **Information management:** Information systems and records are to be maintained, securely and confidentially as necessary.

Providers of higher education to overseas students

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

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

(a) ESOS Act

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

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

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

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

(b) The National Code

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

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

- support the ESOS framework, including supporting the effective administration of the framework by the Australian Government and state and territory governments;
- establish and safeguard Australia's international reputation as a provider of high quality education and training by:
  - — ensuring that education and training for overseas students meets nationally consistent standards; and

  — ensuring the integrity of registered providers;

- protect the interests of overseas students by:
  — ensuring that appropriate consumer protection mechanisms exist;
  — ensuring that student welfare and support services for overseas students meet nationally consistent standards; and
  — providing nationally consistent standards for dealing with student complaints and appeals; and
- support registered providers in monitoring student compliance with student visa conditions and in reporting any student breaches to the Australian Government.

(c) SSVF

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

Under the SSVF, each provider is allocated an immigration risk rating between one (lowest risk) and three (highest risk), based on the immigration risk outcomes of their international students over the previous 12-month period. The same approach has also been used to allocate an immigration risk rating to each country. The combined immigration risk outcomes of the student's education provider and country of citizenship will be used to guide the level of financial capacity and English language proficiency related documentation that the student needs to provide with their student visa application.

To be eligible and participate in the SSVF, students must be enrolled with an educational provider that is registered on CRICOS. Immigration risk is then assessed by the Department of Immigration and Border Protection in Australia. As at the Latest Practicable Date, the immigration risk rating of TOP under the SSVF is one (lowest risk).

(d) Temporary Graduate visa (subclass 485)

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

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

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

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

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

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

TEQSA's engagement with professional bodies

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

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

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

(a) Accreditation requirements for accounting courses

CPA Australia and CAANZ are the professional bodies for accountants in Australia. In light of TEQSA's objectives above as regards professional bodies, TEQSA and CPA Australia have entered into a Memorandum of Understanding dated 9 April 2015 which is renewable on an annual basis by mutual agreement. It commenced on 1 January 2015 and will expire on 1 January 2018. This Memorandum of Understanding aims to ensure that TEQSA and CPA Australia perform their respective functions efficiently and with minimal duplication of roles with regard to the accreditation of courses. The main purpose of this Memorandum of Understanding is to:

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

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

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

(b) Accreditation requirements for law courses

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

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

Access to funding

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

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

AUSTRALIAN CORPORATE LAW

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

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

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

REGULATIONS IN RELATION TO FOREIGN EXCHANGE IN AUSTRALIA

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

REGULATIONS IN RELATION TO FOREIGN INVESTMENT IN AUSTRALIA

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

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

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

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

A "foreign person" should not be required to obtain prior approval by the Treasurer of Australia ("**Treasurer**") to acquire the Shares as part of the [REDACTED] unless they are a "foreign government investor" (defined below). However, independent legal advice should be sought. For non-land business investments in Australia, a "foreign person" from a free trade agreement partner country is required to obtain prior approval of the Treasurer to acquire 10% or more of an entity or business if the value of that entity or business exceeds AUD$1,094 million. A "foreign person" from a country that is not a free trade agreement partner country is required to obtain prior approval of the Treasurer to acquire 10% or more of an entity or business if the value of that entity or business exceeds AUD$252 million. However, a "foreign government investor" must obtain the prior approval of the Treasurer before acquiring:

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

regardless of the value of TOP or its assets.

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

- a foreign government or separate government entity;
- a corporation in which:
  - a foreign government or separate government entity, alone or together with one or more associates, holds a substantial interest (that is, an interest of at least 20 per cent); or
  - foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country), together with any one or more associates, hold an aggregate substantial interest (that is, an interest of at least 40 per cent);
- the trustee of a trust in which:
  - a foreign government or separate government entity, alone or together with one or more associates, holds a substantial interest (that is, an interest of at least 20 per cent); or
  - foreign governments or separate government entities of more than one foreign country (or parts of more than one foreign country), together with any one or more associates, hold an aggregate substantial interest (that is, an interest of at least 40 per cent);

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

Under section 4 of the FATA:

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

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

Investment restrictions on TOP under the FATA

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

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

As a "foreign person", certain further investments in Australia by the Company may be subject to review and prior approval by the Treasurer, which may or may not be given or may be given only subject to conditions that the Company may need to comply with. If such approval is required and not obtained in relation to an investment, the Company will not be able to proceed with that investment.

The Company has no present intention of acquiring assets or businesses in Australia. As such, the Company does not consider that these foreign investment review and approval procedures (if they were to apply) will materially affect the Company's business operations.

OVERVIEW OF THE AUSTRALIAN TAXATION SYSTEM

1. *Overview of the Australian tax system*

Corporate income tax

An Australian tax resident company is subject to income tax on its non-exempt worldwide income. A foreign tax resident company is subject to Australian tax only on Australian sourced income. The Australian company tax rate is currently 30%. Small business taxpayers or base entities are currently taxed at 27.5% (if aggregate annual turnover is under AUD$10 million) and this rate is currently proposed to reduce gradually over time to 25.0% by 2027 (at the same time, the turnover threshold will increase to AUD$25 million in the 2018 income year and then AUD$50 million afterwards). Income of non-resident companies from Australian sources is similarly taxable at the company tax rate if it is not subject to any withholding tax or treaty protection. However, a foreign tax resident company not operating in Australia through a permanent establishment is generally subject to tax only on Australian sourced passive income, such as rent, interest, royalties and dividends.

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

Depreciation

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

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

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

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

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

Capital gains tax

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

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

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

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

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

Administration

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

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

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

Dividends

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

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

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

Determination of taxable income

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

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

Relief for losses

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

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

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

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

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

Thin capitalisation

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

The thin capitalisation measures apply to the following:

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

ii. Australian entities that control foreign entities or operate a business through an overseas branch (outward investing entities).

Withholding taxes on dividends

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

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

GST

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

Generally, businesses and other organisations registered for GST will:

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

Stamp duty

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

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

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

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

KEY TAX IMPLICATIONS FOR THE SHAREHOLDERS

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

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

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

A. Australian tax implications

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

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

1. Dividends paid on the Shares

Australian individuals and complying superannuation entities

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

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

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

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

Australian trusts and partnerships

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

Australian companies

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

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

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

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

Foreign tax resident investors

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

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

2. Shares held at risk — availability of franking credits

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

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

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

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

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

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

3. Disposal of the Shares

Australian tax resident investors

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

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

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

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

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

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

Foreign tax resident investors

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

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

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

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

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

5. Goods and services tax (GST)

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

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

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

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

6. Stamp duty

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

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

B. Hong Kong tax implications

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

1. Dividends paid on the Shares

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

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

Disposal of the Shares

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

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

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

2. Stamp duty

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

HISTORY AND DEVELOPMENT

Overview

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

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

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

Our Key Milestones

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

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

Year	Milestone event
2013	• The Ministry of Education of China approved the pathway program with GUFE • TEQSA approved the accreditation of TOP's Master of International Business and Master of Marketing and Public Relations together with their nested courses, which marks the first time TOP received TEQSA's national accreditations at the Master's degree level • TEQSA also accredited TOP's Bachelor of Laws course (subject to LPAB accreditation), which is the first time that an Australian private non-university provider has received accreditation for a higher education degree in the Law discipline • The pathway program with GUFE successfully completed its initial recruitment through the National Higher Education Entrance Examination in China
2014	• CPA Australia accredited the Bachelor of Accounting in the pathway program with GUFE as an approved pathway to its Associate Membership • TOP and Worldwide Universities Network jointly organised a dialogue between Mr. Zhou Wenzhong, the Secretary-General of the Boao Forum for Asia, and speakers/panelists from various leading universities in Australia at the BOAO workshop in Sydney, Australia
2015	• TEQSA granted TOP's renewal of registration for the maximum allowed period of seven years without conditions • TEQSA granted to TOP the renewal of its CRICOS registration for the maximum allowed period of five years without conditions • TEQSA accredited TOP's Master of Business Research, the first higher research degree of TOP • TEQSA accredited TOP's Bachelor of Applied Finance and Accounting, the first course to combine the fundamental requirements of both finance and accounting • TEQSA accredited TOP's Master of Laws course • In April, TOP received accreditation for its Bachelor of Laws course from LPAB, the first non-university to obtain such an accreditation. In May, the Bachelor of Laws accreditation was passed by legislative instrument at New South Wales Parliament • TOP set up TOP Law being the first and only private non-university Law School in Australia, as an academic division of the Institute

Year	Milestone event
	• TOP established TOP Business as another academic division of the Institute, which offers higher education courses in management and commerce • TOP was included in the OCSC list of recognised Australian universities and higher education institutes by the Thai government
2016	• TEQSA accredited TOP's Master of Accounting Practice, which offers CPA Australia's professional subjects pursuant to a tuition provider licence agreement with CPA Australia • A subscription agreement was entered into between PwC Nominees and TOP, pursuant to which PwC Nominees (which is wholly beneficially owned by PwC Australia) subscribed for a total of 132,354 Shares representing 15% of the then total issued share capital of TOP. Please refer to the section headed "— The First Round [REDACTED] Investment" below for further details • An Alliance Agreement was entered into between PwC Australia and TOP. Under the Alliance Agreement, PwC Australia agreed to provide a variety of services to help expand our academic courses and non-academic programs, and we received rights to co-brand our business programs, and services with PwC Australia • TOP submitted its application to TEQSA in December for Self-Accrediting Authority (partial) in the broad field of management and commerce up to AQF level 9 Master courses • TOP signed memoranda of agreement with Tsinghua University and Fudan University in China in respect of The Belt and Road Development Abroad training program • The SCDP, being a joint project between TOP and PwC Australia, was launched
2017	• The Ministry of Education of China approved the partnership program with Shandong Polytechnic College • The Henan Provincial Education Department of China approved the cooperation program with Henan Institute of Economics and Trade • TEQSA accredited TOP's Master of Business Administration

OUR SHAREHOLDERS

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

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

Notes:

1. Unless otherwise stated, this refers to ordinary shares of TOP and assumes that the completion of the share split has not taken place. Please refer to the paragraph headed "— Reorganisation" of this section for further details on the share split.

2. The members of the Controlling Shareholders Group are parties acting in concert and on 13 October 2017, they entered into a confirmation deed to, among others, confirm that they have been acting together with an aim to achieving decisions at general meetings of our Company on a unanimous basis. A majority of the members of the Controlling Shareholders Group are the founding Shareholders, namely Dr. Zhu, Mr. Lee, Mr. Yang and Mr. Wang who have been the Shareholders since the date of incorporation of our Company or investors who had invested in our Company at an early stage, For further details, please refer to the paragraph headed "— Confirmation Deed" of this section.

3. The Shares were converted from Class A Shares held by the Third Round [REDACTED] Investors on [●]. The details of Shares held by each of the Third Round [REDACTED] Investors are:

   - Kai Zhang (10,488 Shares);
   - TD Seymour Pty Ltd (ACN 609 660 139) (as trustee for the TD Seymour Milne Trust with two shareholders being Danielle Olivia Seymour and Thomas Richard Seymour who each hold 50% of the share capital of TD Seymour Pty Ltd) (10,504 Shares);
   - Caves Kumar and Co Pty Ltd (ACN 606 004 013) (as trustee for Sevac Kumar Trust with the sole shareholder being Cynthia Kumar) (10,266 Shares);
   - New Hampshire Pty Ltd (ACN 103 227 069) (as trustee for LCS Family Trust with the sole shareholder being Catherine Jane Sayers) (10,026 Shares);
   - Hayden Scott and Capital Custodians Pty Ltd (ACN 129 496 671) (as trustee for the Chalmers Family Trust with the sole shareholder being James Alistair Chalmers) (5,897 Shares);
   - M & S McGrath Investments Pty Ltd (ACN 161 365 082) (as trustee for the M&S McGrath Family Trust with two shareholders being Michael Patrick McGrath and Sandy Laine McGrath who each hold 50% of the share capital of M&S McGrath Investments Pty Ltd) (5,897 Shares);
   - QS5 Pty Limited (ACN 609 732 167) (as trustee for RHC Trust with the sole shareholder being Peter Calleja) (3,538 Shares); and
   - Carter Oaktree Pty Ltd (ACN 609 732 112) (as trustee for the 8 Track Family Trust with two shareholders being Christopher John McLean and Nadine Louise Mclean who each hold 50% of the share capital of Carter Oaktree Pty Ltd) (3,538 Shares).

4. Loyal Creation will cease to be our connected person upon Listing.

OUR CORPORATE DEVELOPMENT

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

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

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

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

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

CONFIRMATION DEED

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

OUR [REDACTED] INVESTMENTS

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

First Round [REDACTED] Investment	30 May 2016
Second Round [REDACTED] Investments	June 2016 to May 2017
Third Round [REDACTED] Investment	26 May 2017

(a) The First Round [REDACTED] Investment

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

Information of the First Round [REDACTED] Investment is set out below:

Name of investor:	PwC Nominees
Number of Shares subscribed:	132,354 ordinary Shares
Date of allotment:	30 May 2016
Amount of consideration paid:	AUD$5,500,000 (of which AUD$2,500,000 was satisfied by cash and AUD$3,000,000 was satisfied by crediting the same amount with PwC Nominees in favour of TOP for TOP to use and apply to pay for the professional services provided by PwC Australia under the Alliance Agreement ("**Services Allowance**"))
Cost per Share:	AUD$41.56 per Share (equivalent to AUD$0.02 per Share upon completion of the share split on [●])
Consideration basis:	Determined based on arm's length negotiations between the parties with reference to the latest available financial results of TOP at the time when the above subscription agreement was entered into
Payment date:	Our Company received the cash consideration of AUD$2,500,000 on 30 May 2016; the Services Allowance was credited on 27 May 2016
[REDACTED] to the [REDACTED] of HK$[REDACTED] (being the mid-point of the [REDACTED] stated in this document):	Approximately [REDACTED]
Use of proceeds:	AUD$1.3 million of the cash proceeds generated from the First Round [REDACTED] Investment had been used as at the Latest Practicable Date
Strategic benefits:	A strategic alliance arrangement between TOP and PwC Australia involves the following strategic benefits to TOP: (a) TOP and PwC Australia working together to jointly grow and promote TOP's business including the development of the SCDP, online education initiatives and executive education programs; and (b) PwC Australia allowing TOP to co-brand at the institutional level "Top Education in alliance with PwC" (or words to a similar effect) and to co-brand its executive education programs which are co-developed with PwC Australia.

(b) The Second Round [REDACTED] Investments

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

Information of the Second Round [REDACTED] Investment is set out below:

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

Note:

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

Further details of the Second Round [REDACTED] Investments are set out below:

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

Payment date:	• 28 June 2016 in respect of the share transfers from High Summit to Loyal Creation and Mr. Wang; • 29 June 2016 in respect of the share transfers from High Summit to Billion Glory and Oriental Scholar; • 30 May 2016 and 1 September 2016 in respect of the share transfers from High Summit to Dr. Zhu; and • 2 September 2016 and 5 September 2016 in respect of the share transfers from High Summit to G&H Partners and Mr. Liu, respectively.
[REDACTED] to the [REDACTED] of HK$[REDACTED] (being the mid-point of the [REDACTED] stated in this document):	Approximately [REDACTED]

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

Amount of consideration paid:	AUD$14,749,560 in aggregate
Cost per Share:	AUD$84 per Share (equivalent to AUD$0.04 per Share upon completion of the share split on [●])
Consideration basis:	Determined based on arm's length negotiations between the parties and on the same basis when Oriental Scholar purchased 175,590 Shares from High Summit under the Second Round [REDACTED] Investments
Payment date:	5 May 2017
[REDACTED] to the [REDACTED] of HK$[REDACTED] (being the mid-point of the [REDACTED] stated in this document):	Approximately [REDACTED]

(c) The Third Round [REDACTED] Investment

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

Information of the Third Round [REDACTED] Investment is set out below:

Name of investor:	The Third Round [REDACTED] Investors. The Third Round [REDACTED] Investors are partners of PwC Australia or their related trusts who made investments in our Company as personal investments that are unconnected with and independent of PwC Australia and PwC Nominees
Number of Shares subscribed:	60,154 Class A Shares. Pursuant to the terms of the above investment, each Class A Share will be converted into a Share in the share capital of our Company on the earlier to occur of (a) 31 December 2020; (b) five Business Days (being days on which banks are open for general banking business in Sydney, excluding Saturdays, Sundays or public holidays in Sydney) prior to the issue of this document; or (c) such earlier date determined by our Board in good faith to facilitate the [REDACTED] or the sale of all or substantially all of the business and assets of TOP to a bona fide third party
Date of allotment:	26 May 2017
Amount of consideration paid:	AUD$2,500,000
Cost per share:	AUD$41.56 per Class A Share (equivalent to AUD$0.02 per Share upon completion of the share split on [●])
Consideration basis:	Determined based on arm's length negotiations between the parties with reference to the estimated equity value of TOP based on the valuation report dated 19 April 2017 issued by an independent valuer
Payment date:	24 May 2017 for the subscription of New Hampshire Pty Ltd; 25 May 2017 for the subscriptions of Kai Zhang and QS5 Pty Limited; 26 May 2017 for the subscription of M & S McGrath Investments Pty Ltd; 29 May 2017 for the subscription of Carter Oaktree Pty Ltd; 31 May 2017 for the subscription of TD Seymour Pty Ltd and Caves Kumar and Co Pty Ltd; and 31 May 2017 and 1 June 2017 for Hayden Scott and Capital Custodians Pty Ltd
[REDACTED] to the [REDACTED] of HK$[REDACTED] (being the mid-point of the [REDACTED] stated in this document):	Approximately [REDACTED]
Use of proceeds:	The proceeds generated from the Third Round [REDACTED] Investment has not been used but are expected to be used to pay some of the [REDACTED] expenses arising from the [REDACTED]

Strategic benefits	Our Board implemented the Third Round [REDACTED] Investment with a view to broadening and diversifying our Company's shareholders' base

SPECIAL RIGHTS AND OBLIGATIONS PRIOR TO [REDACTED]

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

(a) New Issue Pre-emption Rights

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

(b) Share Transfer Pre-emption Rights

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

(c) Tag Along Rights

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

(d) Right to Purchase Defaulter's Shares

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

(e) Nomination Rights

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

(f) Information Rights

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

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

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

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

[REDACTED]

Dr. Zhu, Billion Glory and Mr. Wang, as some of our [REDACTED] Investors, are also members of the Controlling Shareholders Group. In addition, each of Xinjiang Guoli and PwC Nominees, which are also our [REDACTED] Investors, will be a substantial Shareholder upon [REDACTED]. Accordingly, the Controlling Shareholders Group and the above [REDACTED] investors are core connected persons of our Company and their interests in our Company will not be counted towards our [REDACTED] for the purpose of Rule 8.08 of the Listing Rules.

LOCK-UP

All [REDACTED] Investors (except for Dr. Zhu, Billion Glory and Mr. Wang who are members of the Controlling Shareholders Group) have undertaken to our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]) that, commencing on the date of this document and ending on the date which is six months from the [REDACTED], they will not sell or otherwise transfer or dispose of any Share or other securities of our Company, save and except that the lock up on PwC Nominees and the Third Round [REDACTED] Investors shall not apply if PwC Nominees or any Third Round [REDACTED] Investor (as appropriate) notifies the [REDACTED] that it is obliged to dispose of its Shares for reasons relating to audit independence.

Each of the members of the Controlling Shareholders Group, namely Dr. Zhu, Mr. Yang, Tristar United, Mr. Lee, Mr. Wang and Billion Glory, have undertaken to our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]) that he/it will not, among others, sell or otherwise transfer or dispose of any Shares for a period of 12 months after the [REDACTED]. Please refer to the section headed "[REDACTED] — [REDACTED] Arrangements and Expenses — Undertakings" in this document for details.

CONFIRMATION FROM THE SOLE SPONSOR

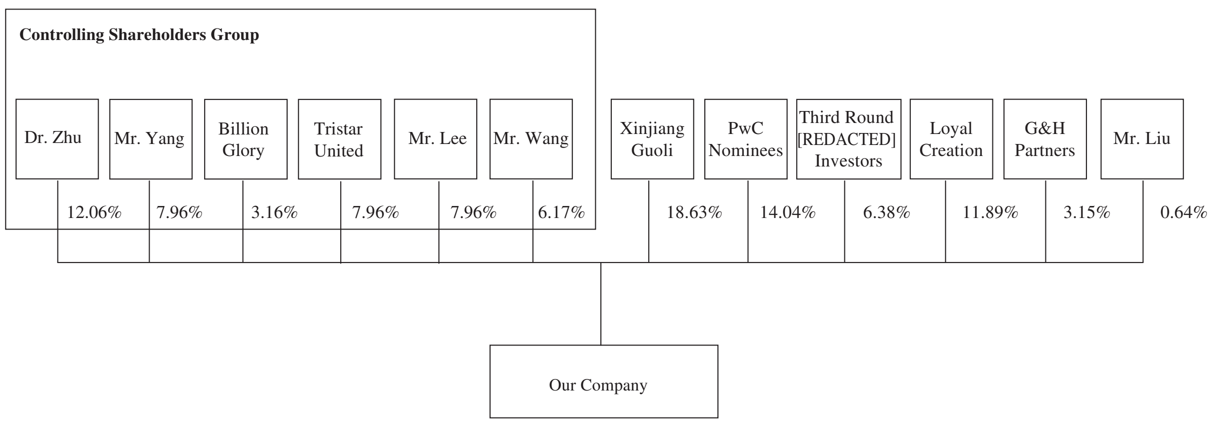
The Sole Sponsor has confirmed that the [REDACTED] Investments are in compliance with the Stock Exchange's interim guidance on [REDACTED] investments (HKEX-GL-29-12) issued on 13 October 2010 and guidance letter HKEX-GL-43-12 issued on 13 October 2012 and updated in July 2013 and March 2017.

REORGANISATION

In contemplation of the [REDACTED], we underwent a reorganisation by effecting a share split on [●] 2017 pursuant to which each Share was subdivided and designated as 2,000 fully paid Shares in the capital of our Company. Immediately after the share split, the issued share capital of our Company became [REDACTED] Shares.

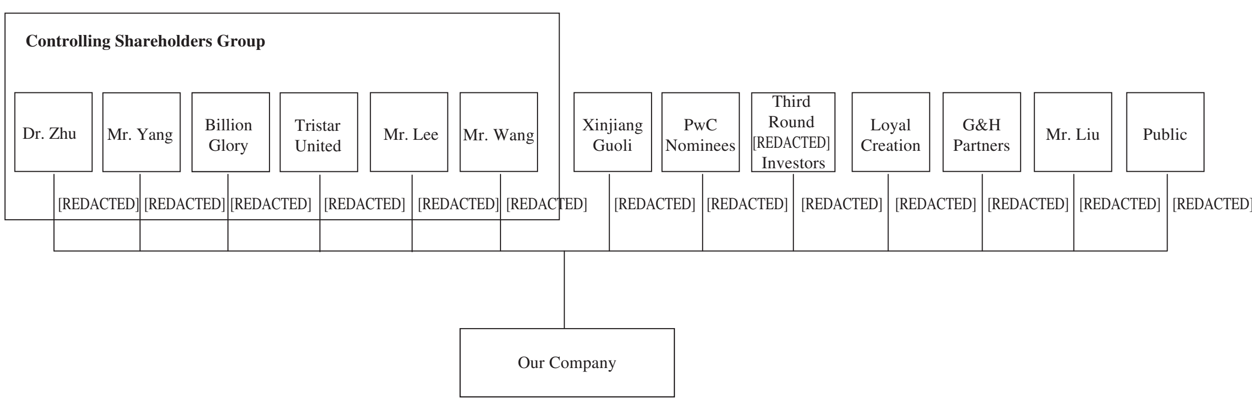
CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Company immediately before the completion of the [REDACTED]:



CORPORATE STRUCTURE IMMEDIATELY AFTER THE [REDACTED]

The chart below sets out the shareholding structure of our Company immediately after the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan):



OVERVIEW

We are a private higher education provider based in Sydney, Australia. We currently have two academic divisions, TOP Business and TOP Law, offering a total of 20 accredited undergraduate and postgraduate courses as at 30 June 2017. According to Ipsos, in 2015, we ranked 14th in terms of student enrolment by EFTSL among private NUHEPs in Australia and ranked third with a market share of 7.8% in terms of international onshore EFTSL among private NUHEP business schools. For more information on our market position, see the section headed "Industry Overview". Since our establishment in 2001, we have been committed to offering quality education provision, now focusing on higher education courses in business and law, preparing students for careers in business, law and other relevant professional areas. Our motto is "*Capability, Integrity, Responsibility and a Winning Alliance*".

As we position our Institute to serve the diverse, international education market, our student body comprises mostly international students, particularly from China. During the Track Record Period, international students constituted more than 93% of our EFTSL and students from China constituted more than 88% of our student body. We are the first and only for-profit non-university higher education provider listed on the JSJ List of 42 recognised Australian universities and higher education providers, which allows our awards to be recognised by the Ministry of Education of China and increases awareness and interest in our Institute in China.

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

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

COMPETITIVE STRENGTHS

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

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

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

The drive to attract international students has resulted in international education becoming the third largest export industry in Australia, amounting to approximately AUD$22.4 billion in annual income in 2016, which was an increase of approximately 16.7% from 2015, according to Ipsos. In 2016, the Australian government introduced the "National Strategy for International Education 2025" which included plans to improve the quality of education provided in Australia and attract more international students. In 2016, the Australian government also simplified the student visa process in general and lowered China's "country risk level" thus allowing students from China to use the most streamlined visa process. These changes are helpful in increasing the pool of Chinese and international students coming to Australia, thus increasing the demand for higher education providers including our Institute.

Because we have a substantial number of students from China and pathway and cooperation programs with Chinese higher education providers, we have also benefited from certain Chinese government policies as well. For the last 20 years, China has been implementing reforms and opening-up policies in general, including with respect to education. This includes supporting Chinese students studying abroad. With its admission to the World Trade Organisation in 2011, China made a series of commitments including liberalisation of its educational services. Currently, Australia is the second most popular destination country for Chinese students studying internationally, after the US according to Ipsos. Between 2012 and 2016, the number of Chinese students pursuing tertiary education in Australia has increased by 4.6% according to Ipsos. According to Ipsos, disposable income among urban families in China has been growing and is expected to continue growing, which we anticipate will increase the pool of Chinese students who will study abroad. Despite foreign currency exchanges in China being subject to quotas and limitations, payments made for tuition fees are allowed to exceed the usual limit, which means Chinese students are able to pay for their overseas tuition fees in foreign currencies without restriction.

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

China has also established a legislative and regulatory framework in support of joint Chinese-foreign education programs. We have taken advantage of such support through articulation agreements such as our pathway program with GUFE, which allows students to study three years at GUFE and then continue on to study at our Institute to graduate with a Bachelor degree from our Institute. This kind of program serves as a channel to attract potential students. We also have other collaborations with prestigious Chinese universities, which help to further build our reputation in China, such as The Belt and Road Development Abroad training programs for which we have signed agreements with Fudan University and Tsinghua University to provide.

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

We have expanded our higher education offerings from a single Bachelor award course in 2009 to 20 accredited higher education courses across a range of disciplines as at 30 June 2017. We seek to not just meet regulatory requirements but also set our students on pathways to successful professional and academic careers by providing quality higher education courses and an excellent student experience.

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

In 2015, we obtained our most recent TEQSA and CRICOS registration renewals for the maximum allowed periods of seven years and five years, respectively, and without conditions, demonstrating that we have met the regulatory requirements.

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

Despite being a private, non-university higher education provider, some of our key benchmarking metrics are comparable to Australian universities. For example, our overall student attrition rate in 2015 of approximately 10.6% which was considerably lower than the median first-year attrition rates of for-profit non-university higher education providers and universities in Australia in 2014, which were 28% and 18%, respectively, according to Ipsos. See the section headed "Industry Overview" in this document for more information.

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

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

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

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

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

Our governance system comprises the Council, the Academic Board and the Academic Board sub-committees. The Council is delegated its authority by our Board and the Council in turn delegates authority to the Academic Board to oversee academic affairs and review academic policies and procedures and report to the Council. The Council and the Academic Board both include 7 external members, which helps to ensure academic independence. Many of the members hold or have held senior positions in universities in Australia and other countries. For example, the Council Chair Emeritus Professor Brian Stoddart was Vice-Chancellor of La Trobe University; Council Member Emeritus Professor Steven Schwartz previously served as vice chancellor of Murdoch University, Brunel University, and Macquarie University; Council Member Professor John Hearn previously served as Deputy Vice-Chancellor of the Australian National University and the University of Sydney; and Emeritus Professor Stephen Nicholas was previously a Pro Vice-Chancellor of the University of Newcastle, and now chairs our Academic Board. We are able to benefit from their experience and expertise in academic administration to continually improve our own academic operations and quality.

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

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

Moreover, because of our strategic planning, we have been able to achieve strong and stable financial operation and performance. During the Track Record Period, we have never owed loans or debts to banks or external institutions. We benefit from a strong financial model, as students generally pay their tuition fees for the term before the census date for that term. As such, we had trade receivables of nil, nil and AUD$58,000 as at 30 June 2015, 2016 and 2017, respectively and recorded net cash generated from operating activities of AUD$3.9 million, AUD$5.6 million and AUD$6.3 million for the years ended 30 June 2015, 2016 and 2017, respectively. We maintained a strict control on our current ratio, which as at 30 June 2017 was 2.8x. Furthermore, we maintain relatively minimal fixed assets, which reduces fixed costs and allows us to respond quickly to changes.

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

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

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

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

Under the Alliance Agreement to date, we have co-developed several projects, including SCDP, and a VR accounting application. We have also seen 17 of our students take up work experience opportunities at PwC Australia in various teams, and it is currently anticipated that a further 100 students will commence short term placements over the next year, commencing in late 2017. We believe these initiatives greatly assist our student's career readiness when they graduate and make our Institute more attractive to prospective students. We have also built a corporate training program with PwC Australia, which has created a new revenue stream for us.

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

BUSINESS STRATEGIES

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

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

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

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

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

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

While our application for SAA status is pending, we intend to continue developing courses for submission to TEQSA. In October 2017, we received the accreditation from TEQSA for our new Master of Business Administration course. We are also currently developing a Master of Financial Planning course. Furthermore, as our SAA application does not cover law courses, we are also in the process for developing a Juris Doctor course for submission to TEQSA for accreditation in due course. We also consider adding a new field of study to diversify our course offerings, such as IT. Diversifying our course offerings could help to attract a new demographic of students as well as increase our visibility and reputation in the higher education sector.

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

We aim to further increase our student numbers for our degree courses while maintaining adequate staff support and positive student experience. Our capacity for international students is subject to approval by TEQSA. Currently, our approved capacity number is 920 for international students, with the ability to enrol up to 10% more, and we have submitted an application to TEQSA to increase that capacity number to 1,500. Additionally, we are considering our options to expand our campus premises. Currently, we are exploring the possibility of leasing more space at ATP, and may consider purchasing a building at ATP for our campus. We are also seeking possible campus locations in Sydney's central business district to appeal to students who may be more attracted to studying in the city centre. Beyond Sydney, we are investigating opportunities to provide delivery of education in Tasmania, Australia, as the state government of Tasmania is promoting policies for global education to attract international students. Subject to meeting regulatory requirements and approval and expanding our campus premises, we hope to eventually increase our capacity number for international students to 2,000 by 2019.

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

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

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

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

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

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

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

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

I. Student Career Development Program

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

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

II. Corporate Training Programs

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

III. Professional Skill Training

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

Because the above non-award programs are not subject to the higher education regulatory framework, we will be able to take different approaches towards growing these non-award programs to create new revenue streams. We may consider establishing a separate subsidiary in due course dedicated to such non-award programs, in order to maintain a distinction from our traditional higher education degree courses.

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

I. Smart-Campus

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

II. Non-award online programs

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

III. Digital student experience centres

To facilitate greater interest in our Institute, we plan to establish student experience centres in China equipped with the latest digital technology. These centres would provide an innovative way for prospective students to interact with our people and our programs. We would start with a first-tier city and then expand out to five or six other strategically located cities in different provinces. This would allow students in China to experience what it would be like to live in Australia and study with our Institute, through the use of VR and other high-tech methods.

TOP EDUCATION INSTITUTE

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

We also seek to strengthen the research capabilities and develop a research culture at our Institute by increasing our research funding and further promoting our Masters level research course, with a view to continually improving and expanding our higher education offerings and ultimately obtaining the status as a university of specialisation.

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

ATP, encompassing classrooms, a moot court room, a library, a café and other student facilities, as well as offices for our teaching and administrative staff. The map below shows the location of our campus within ATP:

As at 30 June 2017, we had seven accredited undergraduate courses and 13 accredited postgraduate courses and for the year ended 30 June 2017, we had student enrolment of 1,036 EFTSL. EFTSL is a measurement of student enrolment calculated by dividing the total number of units of taken by our students in a given year by 8 (which is the average number of units a single full-time student should take at our Institute in a year). The table below shows a summary of selected operating and financial data for our Institute during the Track Record Period:

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

Sydney City School of Business

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

Award courses

Undergraduate

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

As at 30 June 2017, TOP Business offered the following six undergraduate courses:

Business

- *Bachelor of International Business:* The Bachelor of International Business is a three-year course designed for students wishing to pursue accounting and business careers in an international context. Students have the option of pursuing one of two streams: general or accounting major. Our Bachelor of International Business course with the accounting specialisation stream has been accredited by CPA Australia and CAANZ. Graduates with the accounting major are eligible to apply for associate membership of CPA Australia and will satisfy the academic requirements for entry to the CAANZ Program in Australia. This course is also accredited by the Institute of Certified Management Accountants ("**CMA**"). Students may apply for early graduation after the first year to receive the Diploma of Business on after the second year to receive the Associate's Degree of Business.

- *Associate's Degree of Business:* Students who successfully complete the first two years of the Bachelor of International Business degree course may apply for early graduation to receive this associate degree.

- *Diploma of Business:* This is a one-year course designed for students who wish to pursue a career in the global business environment. Students who complete the Diploma of Business may then choose to continue in the second and third years of our Bachelor of International Business degree course, conditional on completion of the diploma at an appropriate level.

Applied Finance and Accounting

- *Bachelor of Applied Finance and Accounting:* This degree is a three-year course designed to prepare students for the professional fields of finance and accounting. The degree is structured with applied finance as the core discipline and with accounting and accounting related topics covered in both core and elective units. This course is accredited by CPA Australia and CAANZ. Students may apply for early graduation after the first year to receive the Diploma of Applied Finance and Accounting or after the second year to receive the Associate's Degree of Applied Finance and Accounting.

- *Associate's Degree of Applied Finance and Accounting:* Students who successfully complete the first two years of the Bachelor of Applied Finance and Accounting degree course may apply for early graduation to receive this degree.

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

Postgraduate

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

As at 30 June 2017, TOP Business offered the following 12 postgraduate courses:

Accounting

- *Master of Accounting Practice:* The Master of Accounting Practice is a 1.5 year course designed for accounting graduates who would like to extend their knowledge in key areas of professional accounting and, at the same time, progress toward full membership of CPA Australia. The Master of Accounting Practice course includes subjects needed to prepare for the CPA Program examinations. We have offered this course pursuant to a tuition provider licence agreement with CPA Australia, and this course satisfies certain academic requirements for membership with CPA Australia. Students will be enrolled concurrently in the Master of Accounting Practice and the CPA Program with CPA Australia during the course of their studies.

- *Master of Professional Accounting and Business (pending proposed name change to Master of Professional Accounting Services):* The Master of Professional Accounting and Business is a 2 year course designed to enable students to gain professional qualifications in accounting. We have recently updated the curriculum for this course to become a Master of Professional Accounting Services degree course and are planning to incorporate a capstone unit with PwC Australia's involvement, which we believe will better help student prepare for practical applications of their education. Students may apply for early graduation after the first term to receive the Graduate Certificate in Accounting; or after the second term to receive the Graduate Diploma in Accounting; or after the third term to receive the Master of Professional Accounting. This course is accredited by CMA.

- *Master of Professional Accounting:* The Master of Professional Accounting is a 1.5 year course designed to equip graduates with the necessary skills and knowledge for a career in professional accounting. The course aims to provide students with the required foundations in accounting and related areas, as well as an understanding of the way in which accounting supports business activities. Students may graduate the course earlier with qualifications on the same track as the Master of Professional Accounting and Business course, as discussed above. This course is accredited by CPA Australia, CAANZ and CMA.

- *Graduate Diploma of Accounting:* The Graduate Diploma of Accounting is a 1 year course designed as an entry point for the Master of Professional Accounting. It is intended to build upon previous non-accounting undergraduate studies and work experience, concentrating on studies in accounting and related disciplines.

- *Graduate Certificate in Accounting:* The Graduate Certificate in Accounting is a half-year introductory course designed to provide a general understanding of accounting and related areas of business study. It covers foundation knowledge in the areas of accounting, statistics, law and economics, and can provide postgraduate level learning in accounting as a stand-alone award.

Business

- *Master of International Business:* This is a 1.5 year course designed to provide students with an in depth understanding of international business. It focuses on marketing, human resources, finance, accounting and management. Students may apply for early graduation after the first term to receive the Graduate Certificate in Business Management.

- *Master of Marketing and Public Relations:* This is a 1.5 year course designed to provide students with an international perspective on a variety of areas including marketing, human resources, finance, public relations, communications and crisis management. Students may apply for early graduation after the second term to receive the Graduate Diploma of Marketing and Public Relations.

- *Master of Business Research:* The Master of Business Research is a 2 year course designed to provide students with an advanced level of specialised knowledge and skills for research in the management and commerce (business) disciplines, with emphasis on recent and ongoing developments in this field. This course is a specialised course for students who are interested in a research career and employment opportunities existing in higher education providers or with commercial research employers. Students may apply for early graduation after the first term to receive the Graduate Certificate in Business Research. This is our first higher degree course in research, which forms pathway towards a doctoral degree course.

- *Graduate Diploma of International Business:* Students who complete this 1 year course may be eligible to continue on to the Master of International Business course. This course also serves as an early graduation point for those initially enrolled in the Master of International Business course.

- *Graduate Diploma of Marketing and Public Relations:* Students who complete this 1 year course may be eligible to continue on to the Master of Marketing and Public Relations course. This course also serves as an early graduation point for those initially enrolled in the Master of Marketing and Public Relations course.

- *Graduate Certificate in Business Management:* This half-year course is designed to provide a basic understanding of business management, human resources and finance. Upon completion, students may apply to continue on to the Master of International Business course.

- *Graduate Certificate in Business Research:* This half-year course is designed to provide students with specialised knowledge and advanced research skills, and incorporates the identification and discussion of a wide range of quantitative and qualitative research methods.

Sydney City School of Law

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

Award Courses

Bachelor of Laws

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

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

Others

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

Course Development and Review

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

The course development procedures include determining the following terms:

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

Once a course has been developed, it must be reviewed by the Course Advisory Committee ("**CAC**"), a subcommittee of the Academic Board which is responsible for overseeing course development and approved by the Academic Board. Because we are currently a non-self-accrediting higher education provider, we must then submit the course to TEQSA for accreditation.

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

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

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

Assessment and Examination

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

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

Key Benchmark Metrics

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

Our student attrition rate in 2015 was approximately 10.6%, which was lower than the median first-year attrition rate for Australian higher education providers, based on the last available information in 2014 according to Ipsos. The table below shows the first-year attrition rate for Australian higher education providers by quartile in 2014.

Year 1 Attrition rates — quartile points in Australia in 2014

Higher Education Providers	1st Quartile	Median	3rd Quartile
University	15%	18%	23%
For-profit non-university	22%	28%	36%
Not-for-profit non-university	22%	27%	36%

Source: Ipsos Report

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

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

Source: Ipsos Report

Note:

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

Students

We have historically targeted our courses for international students and more than 93% of our EFTSL during the Track Record Period was attributable to international students, primarily from China, as well as from Thailand, India and more than ten other countries around the world. Students from China accounted for more than 88% of our student body during the Track Record Period. In the Australian higher education system, domestic students are students who are Australian or New Zealand citizens, or have Australian permanent residency. Currently, most of our TOP Business students are international while most of our TOP Law students are domestic. We measure our student enrolment primarily by EFTSL, which is calculated by dividing the total number of units taken by our students in a given year by 8 (which is the average number of units a single full-time student should take at our Institute in a year).

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

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

Notes:

(1) This includes courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.

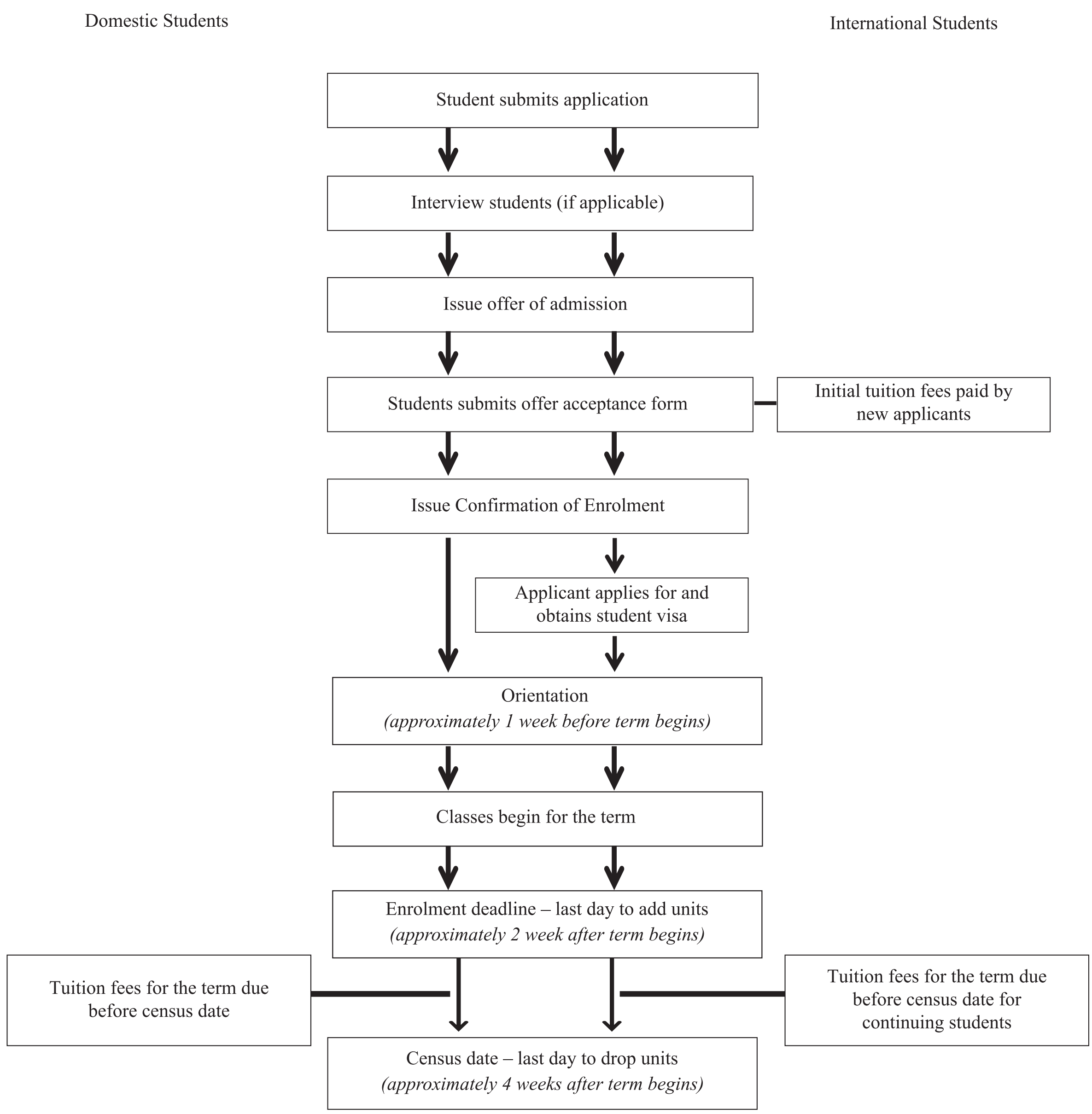
(2) This includes courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Financed and Accounting.

(3) This includes courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting.

(4) This includes all other postgraduate courses that are not part of the Master of Professional Accounting and Business track.

Application and Admission

The chart below shows our general application and admission process:



Application

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

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

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

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

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

Admission

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

Admission requirements differ based on whether or not the applicant is a school-leaver. A school-leaver applicant needs to meet certain minimum requirements for the Australian Tertiary Admission Rank ("**ATAR**"). The ATAR is the primary criterion used for application to most undergraduate courses in Australia and is based on scores from the New South Wales Higher School Certificate examination, which is a combination of assessments conducted usually during the last two years of high school. For other applicants, different admissions conditions apply, generally requiring some form of equivalent testing score or some level of previous tertiary education. Postgraduate applicants must provide evidence that they have completed an undergraduate degree.

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

Offer and Acceptance

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

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

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

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

Tuition and Fees

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

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

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

Tuition payment amounts differ between domestic and international students. Australian laws and regulations result in a limit on the amount of tuition and fees that higher education providers may charge to domestic students. We have adjusted our tuition amounts accordingly to consider both regulatory requirements and market conditions. For domestic students, fees are fully refundable until the census date and non-refundable after the census date, although exceptional circumstances may merit case-by-case consideration.

The amount of tuition and fees charged to international students are not subject to regulations capping the amount of tuition fees charged but are still subject to Code of Practice under the ESOS Act, which provides certain consumer rights and protections. We adjust tuition amounts for international students primarily based on our assessment of market conditions. In addition to tuition and enrolment fees, international students are required under Australian immigration law to obtain international student health cover each year. Tuition for new international students is due upon acceptance of their offer and for continuing international students, tuition is due prior to the census date. International students may receive an 80% refund if they give written notice of non-enrolment at least four weeks prior to commencement of the term and a 50% refund if they give notice after that point but before the census date. International students are also able to obtain a refund of any unspent, prepaid tuition fees if their Australian visa application has been rejected. After the census date, no tuition refund is available, although exceptional circumstances may merit case-by-case consideration. International students who later gain permanent residency status in Australia become qualified to pay domestic student fees if the date shown in their visa is before the commencement date of that term.

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

Pathway and Cooperation Programs with Chinese Higher Education Providers

Since 2013, we have had a pathway program with GUFE whereby a student who studies for three years at GUFE may become eligible to study one year at TOP Business to complete a bachelor degree at our Institute. This pathway program has been approved by the Ministry of Education of China and is acknowledged by CPA Australia for the accreditation of a Bachelor of Accounting, which is an approved pathway to associate membership to CPA Australia.

In 2017, we received approval from the relevant local Chinese authorities for another pathway program with Shandong Polytechnic College whereby students may graduate with a Bachelor degree from our Institute by completing a special three-year program at Shandong Polytechnic College and continuing education at our Institute with credit given for the three-year program completed in China. In 2017, we also signed a cooperation agreement with Henan Institute of Economics and Trade and have obtained approval from the local Chinese authorities. With this cooperation agreement, we plan to develop a pathway program with Henan Institute of Economics and Trade. We intend to begin recruiting students for the Shandong Polytechnic College and Henan Institute of Economics and Trade programs in late 2017.

Pathway Programs to Australian Universities

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

Student Services

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

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

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

Marketing and Student Recruitment

As a private higher education provider, we undertake marketing efforts in order to attract new students and grow our student body. In Sydney, we regularly advertise on public transportation, newspapers, over the radio and through internet and social media. We also organise and attend education events to publicise our Institute. For example, in 2016, we organised a careers advisers' day with a campus tour and presentations to promote our programs. Additionally, we are regularly invited to attend education agent expositions several times a year. We also rely on word-of-mouth from students, alumni and organisations we work with, including PwC Australia and the Australian and Chinese education institutions with which we have pathway and cooperation programs.

As at 30 June 2017, our marketing staff consisted of 11 people. During the years ended 30 June 2015, 2016 and 2017, our advertising and marketing costs (not including commissions paid to agents) amounted to AUD$0.6 million, AUD$1.2 million and AUD$1.2 million, respectively. Our advertising and marketing costs increased considerably for the year ended 30 June 2016 in order to promote our new TOP Law.

Student Recruitment and Agents

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

Our policy is to ensure that agents meet our standards by undergoing a vetting process before we list them as our authorised agents. As at 30 June, 2017, we have nearly 100 authorised agents. Prior to authorising an agent, we review their accreditations, qualifications and references to ensure that the agent is reliable and trustworthy. We sign long-term written agreements with all authorised agents which set out terms such as commission amounts and the agents' obligations. Agents working in the higher education sector are subject to regulation by the ESOS Act and the National Code and our contract terms with authorised agents comply with those requirements.

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

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

  - assisting students in the application process by ensuring all necessary documentation is included;
  - seeking our prior approval for using our name and trademarks in their promotional or marketing activities;
  - adhering to and maintaining compliance with all applicable laws and regulations, such as regulations protecting international students and privacy laws;
  - providing relevant market information for records and research; and
  - not making any representations or guarantees and not incurring any expenses or liabilities on our behalf without our consent.

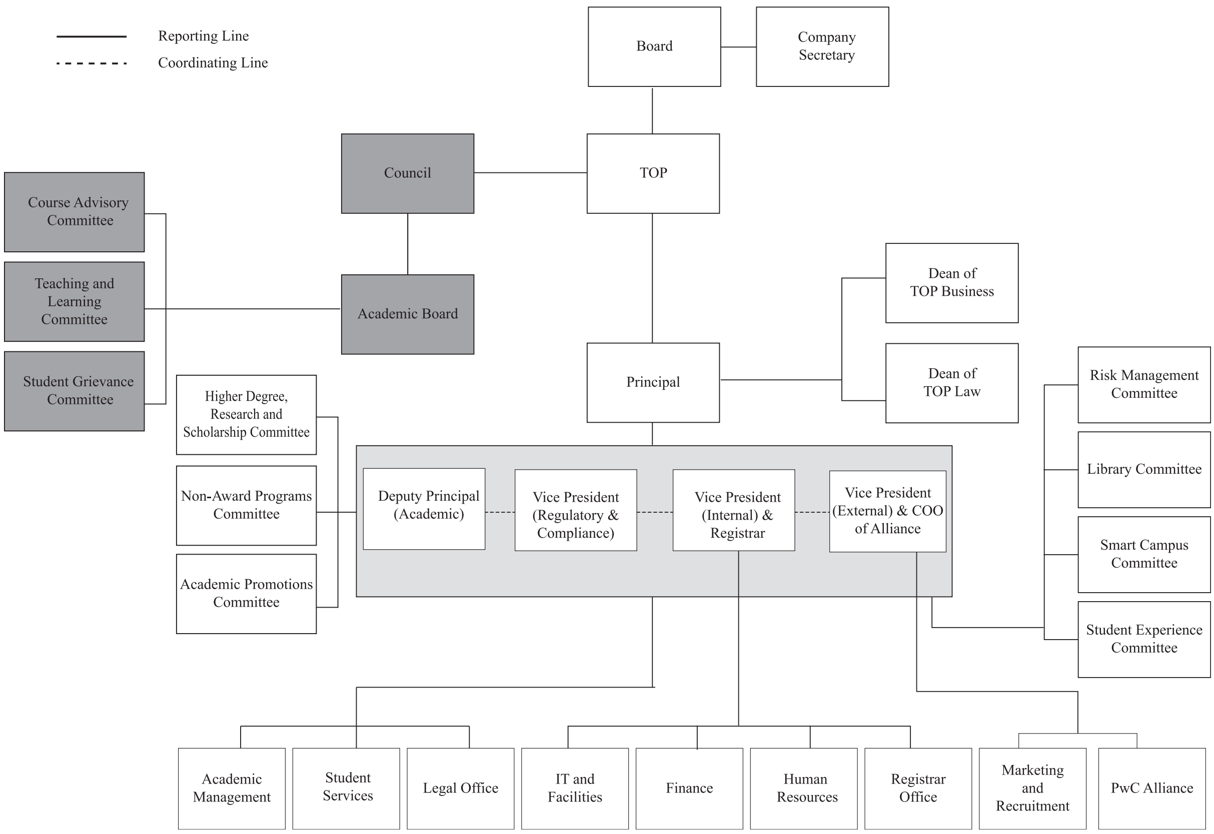
- *Our obligations:* key terms of our responsibilities to the agents include:
  - providing the agent with up-to-date and accurate information about our Institute and courses, and reports about student applications lodged by the agent;
  - providing the agent with adequate training regarding appropriate conduct;
  - informing the agent of any changes regarding visa requirements or visa application processes;
  - nominating a person to act as a point of contact and liaison with the agent; and
  - monitoring the agent's activities and taking corrective actions if we become aware that an agent may be in breach of its contract terms with us or engaging in unethical activity.

- *Exclusivity:* we do not have exclusivity arrangements with any agents; all agents regularly correspond with a wide range of higher education providers.

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

Governance and Management

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



Governance

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

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

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

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

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

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

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

Management

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

Academic Staff

As at 30 June 2017, we employed 69 academic staff. Academic staff are hired either on a permanent basis (meaning their contract lasts beyond one term) or a casual basis (meaning they are engaged and paid on a sessional basis). In order to ensure consistency of teaching quality, we have endeavoured to reduce our casual academic ratio over the years. In terms of full-time equivalence of work performed, our casual academic ratio has decreased from 52.3% in 2012 to 19.6% in 2016.

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

Our permanent academic staff contracts set out their remuneration with a basic annual salary plus superannuation and other standard entitlements under Australian employment law. We determine basic annual salary by benchmarking against comparable Australian universities. Our casual academic staff are hired on a sessional basis and remunerations are determined on an hourly basis plus standard entitlements for casual staff. We believe our employee compensation policies and packages are in line with the industry standard for the higher education sector in Australia. For the years ended 30 June 2015, 2016 and 2017, our employee benefit expenses relating to costs of sales amounted to AUD$2.2 million, AUD$2.9 million and AUD$3.7 million, respectively.

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

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

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

ALLIANCE WITH PWC AUSTRALIA AND RELATED PROGRAMS

Alliance Agreement

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

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

- PwC Australia has granted us a co-branding right to co-brand their logos and marks for the purposes of promoting our Institute. We are able to present our Institute as "Top Education in alliance with PwC" at an institutional level, and we can co-brand any products we co-develop with PwC Australia such as our corporate training offering, in an agreed format and subject to advance written request to and approval from PwC Australia.

- We have granted PwC Australia a limited right to use our logos and marks for the purposes of promoting our Institute.

- PwC Australia has the right to nominate representatives to sit on our Council and to participate in our Academic Board and other academic committees as agreed.

- As part of the payment for shares, PwC Nominees granted us AUD$3.0 million in credit to be used to pay for services with PwC Australia during the first five years of the Alliance Agreement (the "**Service Allowance**"). The Alliance Agreement sets out the terms of use for this Service Allowance and certain minimum amounts of services that we are obligated to procure from PwC Australia on an ongoing basis. Once the Service Allowance is exhausted, we are required to procure total services each year during the term of the Alliance Agreement with fees totalling the lesser of (i) 15% of our operating expenses (excluding agency commissions) for the prior year, or (ii) 15% of our net profit after tax for the prior year.

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

SCDP

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

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

Work Experience

As part of our commitment to providing our students with the best learning opportunities, we are working with PwC Australia and other organisations to provide ongoing work experience placements. This allows students to learn 'on the job', doing real work within teams, gaining valuable experience. The ability to obtain work experience while studying is highly sought after for students so that they improve their practical skills and are work-ready when they graduate, and increases the attractiveness of our Institution to prospective students as they consider their options for study.

Since the Alliance Agreement with PwC Australia has commenced, we have seen 17 of our students take up work experience opportunities at PwC Australia in various teams, and it is currently anticipated that a further 100 students will undertake short-term placements, commencing in November 2017.

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

Guest Lecturing

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

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

Digital Innovation

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

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

Our digital innovation projects include:

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

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

- To facilitate greater interest in our Institute, we plan to establish student experience centres in China equipped with the latest digital technology. These centres would provide an innovative way for prospective students to interact with our people and our programs. We would start with a first-tier city and then expand out to five or six other strategically located cities in different provinces. This would allow students in China to experience what it would be like to live in Australia and study with our Institute through the use of VR and other high-tech methods.

Corporate Training

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

Our corporate training is co-branded with PwC Australia and we work with PwC Australia representatives in developing course materials and content where relevant. We offer a tailor-made service for our corporate clients, covering a wide range of business and industry expertise, technical skills, and professional development. Through our education institutional contacts and our alliance with PwC Australia, we are able to find knowledgeable, well-qualified facilitators to provide training across a variety of fields. We generally sign short-term contracts with our corporate clients, setting out the scope, content and fees for the program. We began offering corporate training in 2016 and as of 30 June 2017, we have had more than 10 corporate training clients. Our current client base are generally large Chinese enterprises with operations in Australia.

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

Other non-award programs

We are also considering providing a wider range of non-award professional skills and practical training programs in accounting, auditing, taxation, financial advisory, risk management, business transactions and other related fields taught by our academic staff and PwC Australia representatives. We believe that such non-award programs could cater to a broad potential market targeting corporate clients and provide a new revenue stream. We may consider establishing a separate subsidiary dedicated to non-award programs, in order to maintain a distinction from our traditional higher education degree courses.

CUSTOMERS AND SUPPLIERS

Our customers primarily consist of our students and corporate training customers. We did not have any single customer who accounted for more than 5% of our revenue for each of the years ended 30 June 2015, 2016 and 2017. Our suppliers primarily comprise agents, vendors and service providers for our facility operations. Our five largest suppliers during the Track Record Period were agents. For the years ended 30 June 2015, 2016 and 2017, commissions to our five largest suppliers amounted to AUD$1.1 million, AUD$1.2 million and AUD$1.6 million, respectively, which represented 14.8%, 14.5% and 15.7% of our total cost of sales in the same year. During the same periods, commissions to our largest supplier for each year amounted to AUD$0.3 million, AUD$0.3 million and AUD$0.4 million, respectively, which represented 3.4%, 3.4% and 4.2% of our total cost of sales in the respective year. None of our Directors, their respective associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, has any interest in any of our five largest suppliers during the Track Record Period and up to the Latest Practicable Date.

COMPETITIVE LANDSCAPE

According to Ipsos, the higher education market in Australia is primarily dominated by public universities, which provide education across several different fields. However, private higher education providers generally compete in distinct parts of the market separate from Australian universities, as private higher education providers tend to be more niche-oriented and concentrated in a few fields, in particular, business, creative and applied arts, health and wellbeing, theology and IT. According to Ipsos, the Australian higher education market has a number of entry barriers which create difficulties for potential new entrants. These include extensive financial and regulatory requirements to be met before becoming operational, time and financial investment necessary to develop courses and competition against large established players.

In 2015, we ranked 14th among private NUHEPs in Australia and second among private NUHEPs in Sydney in terms of international EFTSL, according to Ipsos. Among private NUHEP business schools in Australia in 2015, we ranked third in term of international onshore EFTSL, according to Ipsos. Our main competitors among private NUHEPs include education groups and companies that own multiple higher education institutions or have multiple campuses. We believe that our focus on providing quality, higher education courses and our alliance with PwC Australia grants us a competitive advantage in the market.

For more information about the competition landscape, please see the section headed "Industry Overview" in this document.

EMPLOYEES

As at 30 June 2017, we had 107 staff members (including academic staff). The table below sets out the breakdown of our employees as at 30 June 2017:

	Number of staff
Academic staff	69
Administrative	27
Marketing staff	11
Total	107

We have entered into employment agreements and contracts with all of our employees. Employment agreements for casual staff are sessional and casual staff are not eligible for the same kind of employment entitlements under Australian law that permanent employees would receive. Casual staff arrangements are more flexible for both the casual staff and us. For example, some academic staff members may also wish teach at other institutions or pursue other work rather than continuously teach at TOP. In turn, by being able to employ some lecturers on a sessional basis, we have greater flexibility to choose our unit offerings and can more easily adapt to student responses and market demands for different content or different lecturers. Permanent staff members are our employees and receive both superannuation and other employment entitlements. Permanent staff arrangements allow for more stability and predictability, which in turn helps promote effective integration and increase engagement of the staff members with our Institute. Both casual and permanent staff have access to library resources, support for scholarly activities, and our academic events.

Our success depends on our ability to attract, retain and motivate qualified personnel. We have generally been able to attract qualified personnel and maintain a stable core management team. We are dedicated to the training and development of our employees. All staff are required to complete a staff induction program as well as subsequent on-going training activities. We also identify outside workshops, seminars or other professional development activities for our staff and offer subsidies to facilitate their participation.

We believe that we maintain a good working relationship with our employees and we have not experienced any significant labour disputes since our inception. Pursuant to applicable Australian laws, employers are required to make contributions to a superannuation fund for all employees, both permanent and casual. Employment entitlements for permanent staff members include annual leave, sick leave and long-service leave. During the Track Record Period and up to the Latest Practicable Date, we have been in compliance with all applicable employee benefit regulations and laws.

FACILITIES AND EQUIPMENT

Our campus and principal place of business is located at ATP in Sydney, Australia, where we lease two lots of properties from Independent Third Parties for our classrooms, a moot court room, a library, a café and other campus facilities, as well as offices for our teaching and administrative staff. Located approximately 15 minutes away from Sydney's central business district, ATP is a heritage site that houses a variety of business, education and research institutions. By leasing space at ATP for our campus, we believe we are able to benefit from the proximity to other universities and easy access to transportation facilities, education resources, recreation areas and various amenities.

We do not own any real property. We have leased our campus facilities at ATP under a number of lease and sublease contracts which set out the terms of our leased facilities, including a standard change of control clause. The table below sets out key information about our lease and sublease contracts:

Campus Site	Address	Lease Commencement Date	Lease End Date	Approximate Leased Space	Use	Landlord
				(sq.m.)		
Biomedical Building . . .	Biomedical Building, 1 Central Avenue, Australian Technology Park, Eveleigh, Australia	August 2016	October 2020, with option by us to renew for three years	313.2	Classrooms, offices	Lessor: The Trust Company (Australia) Limited
		June 2014	October 2020, with option by us to renew for three years	187.2	Classrooms, moot court, offices	Sublessor: Australian Technology Park Sydney Limited[(1)]
Bay 16	Bay 16, Locomotive Workshop, 2 Locomotive Street, Australian Technology Park, Eveleigh, Australia	November 2013	October 2020, with option by us to renew for three years	620.4	Classrooms, student facilities, offices	Sublessor: Australian Technology Park Sydney Limited[(2)]
		February 2014	October 2020, with option by us to renew for three years	663.4	Classrooms, library, student facilities, offices	Sublessor: Australian Technology Park Sydney Limited[(2)]
		January 2017	October 2020	59.4	Café	Lessor: Mirvac Projects (Retail and Commercial Pty Limited)

Notes:

(1) The Trust Company (Australia) Limited is the lessor.

(2) Mirvac Projects (Retail and Commercial Pty Limited) is the lessor.

As is not uncommon in multi-tenanted premises, our lease and sublease contracts contain provisions that the landlord can terminate the lease on at least six months' notice for substantial repair or renovation of the building in which our campus facilities are located, subject to certain conditions which the landlord should meet. One of the landlords, Mirvac Projects (Retail and Commercial Pty Limited), has contacted us and all their other ATP tenants to commence a consultation process about a potential future refurbishment of the Locomotive Workshop building, including Bay 16 which comprises part of our leased premises. In October 2017, the landlord informed us that it had no confirmed plans for potential refurbishment and we had not been informed as at the Latest Practicable Date of any future planning proposal. We will continue to seek regular updates from the landlord. Our Directors consider that there is no imminent risk of early termination of the relevant leases because (i) the consultation would likely take an extended period of time and (ii) any work of a major nature or that affects the significance of a heritage item requires the approval of the City of Sydney Council and the Heritage Council, which typically involves a long approval process. In any event, as we intend to continue expanding our campus premises regardless of whether we are to continue occupying the premises at Bay 16, we are currently exploring the options to lease more space elsewhere at ATP, purchasing a building at ATP, or seeking possible campus locations in Sydney's central business district.

We believe that our leased facilities are adequate to meet our needs for the foreseeable future and that we will be able to obtain adequate facilities, principally through leasing, to accommodate our further expansion. Our aggregate rental expenses for the years ended 30 June 2015, 2016 and 2017 were approximately AUD$0.8 million, AUD$0.8 million and AUD$1.0 million, respectively.

During the Track Record Period and up to the Latest Practicable Date, we have not received any notice or warning nor had we been subject to any fines, penalties or other legal actions by government agencies in Australia with respect to any environmental protection laws.

As at the Latest Practicable Date, no single property interest forming part of our non-property activities had a carrying amount of 15% or more of our total assets. Accordingly, we are not required by Chapter 5 of the Listing Rules to value or include in this document any valuation report of our property interests. As such, according to section 6(2) of Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) under paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires us to include a valuation report for all of our interests in land or buildings.

INTERNAL CONTROL AND RISK MANAGEMENT

We utilise an integrated risk management system to minimise and protect against a range of strategic, operational, business, financial and legal risks. Through our risk management system, we seek to manage and reduce risks, encourage effective and reliable communication, maintain legal and regulatory compliance and ensure the quality of our education provision.

Our risk management system is spread across all levels of governance and management. We have a designated risk management committee, headed by our founder Dr. Zhu, which is responsible for monitoring potential Institute-wide risks or risk factors, coordinating risk analysis and assessment activities, suggesting mitigation strategies to the Council and Academic Board, implementing approved changes and reviewing our risk management and assessment framework (the "**Risk Framework**"). The Council and the Academic Board regularly assess risk and review risk assessment reports. Our Board is the ultimate decision-making authority but the Council is the body that oversees the regular monitoring of potential risks and risk factors at an organisational level while the Academic Board and its subcommittees are responsible for managing academic risks. Our Principal and administrative management team are responsible for managing non-academic risks such as regulatory compliance, finance management and others.

Our Risk Framework is drafted primarily based on regulatory requirements, particularly TEQSA's risk assessment and threshold standards and education provider registration standards, which covers issues such as learning environment, teaching and governance and accountability. Please see the section headed "Regulatory Overview" for more information. We also take into consideration further risk factors that could affect our business and operations such as major economic or political developments relevant to our Institution, acts of god and general business risks. We periodically update our Risk Framework and carry out risk assessments in accordance with the framework. During our risk assessments, we identify potential risks, evaluate the likelihood of occurrence, severity of potential impact, mitigation strategies and persons responsible for overseeing the risk management.

APPROVALS, ACCREDITATIONS AND REGISTRATIONS

During the Track Record Period, we obtained various certifications, registrations and other approvals for our operations. The following table sets out the major certifications and approvals we have received:

First Date of Grant	Latest Date of Renewal	Approvals, Accreditations and Registrations	Issuing Authority	Validity period
2004	March 2015	Registration as an education provider with international students	CRICOS	5 year renewal, without conditions — 24 March 2020
2010	N/A	Added to JSJ List of recognised Australian universities and higher education providers	Ministry of Education of China	Ongoing
2012	April 2015	Registration as a higher education provider	TEQSA	7 year renewal, without conditions — 5 March 2022
2013	2017	Approval for the pathway program with GUFE	Ministry of Education in China	5 years
2015	N/A	Added to OCSC list of recognised Australian universities and higher education providers	Thai government	Ongoing
2015	September 2015	Accreditation of Bachelor of Laws course	LPAB	2 years, plus 1 year automatic renewal
2017	N/A	Approval for the pathway program with Shandong Polytechnic College	Ministry of Education in China; Shandong Provincial Education Department	5 years
2017	N/A	Approval for cooperation with Henan Institute of Economics and Trade	Henan Provincial Education Department	3 years

The following table sets out certain of our currently pending applications for approval:

Date of Application	Approvals, Accreditations and Registrations	Issuing Authority	Validity period
30 December 2016	Submitted application for self-accreditation authority	TEQSA	Under assessment

During the Track Record Period and up to the Latest Practicable Date, as advised by our Australian Legal Adviser, we had obtained all the requisite governmental licences, permits, approvals and certifications, as well as renewals thereof which are necessary for our operations in Australia and had complied, in all material aspects, with all applicable Australian laws and regulations.

INTELLECTUAL PROPERTY

We use in our academic courses and non-award programs various course materials or presentations that were prepared by us, our academic staff or third parties through licensing arrangements. We non-exhaustively rely on the laws and regulations of patent, copyright and trademark, as well as contracts signed by our staff to protect our intellectual property rights. Under our standard academic staff contracts, we own the rights to any materials developed while such academic staff are engaged by us for the purposes of teaching our classes. Additionally, as at the Latest Practicable Date, we were in the process of registering our logo in Hong Kong and Australia. Under our Alliance Agreement with PwC Australia, intellectual property rights for any course materials created for SCDP belong to us and rights created from the provision of other PwC Australia services belong to PwC Australia, unless otherwise agreed upon.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any infringement of any other person's intellectual property or infringement of our intellectual property by others that would have a material adverse impact on our business and we were not involved in any proceedings involving infringement of intellectual property rights.

HEALTH AND SAFETY

We are dedicated to protecting the health and safety of our students and staff. Our policies include critical incident response and reporting measures. We also have in place a set of safety and security measures which are included in the student handbook. During the Track Record Period and up to the Latest Practicable Date, we did not experience any serious accident, medical situation or safety issue.

INSURANCE

In addition to the government-mandated employment entitlements, we maintain workers compensation insurance, director and officer management insurance, professional indemnity insurance, public liability insurance for premises. We believe that our insurance coverage is adequate and is in line with industry practice in Australia. During the Track Record Period and up to the Latest Practicable Date, we have not had any material claims or liabilities arising from any accidents relating to our operations. During the Track Record Period and up to the Latest Practicable Date, we had not made, neither had we been the subject of, any insurance claims which are of a material nature.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

We may from time to time be subject to various legal or administrative proceedings arising in the ordinary course of our business such as proceedings in respect of disputes with suppliers or students or infringement of intellectual property rights. During the Track Record Period and up to the Latest Practicable Date, there were no material legal proceedings, regulatory inquiries or investigations made or pending or threatened against us.

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan), our Company will be owned at to approximately [REDACTED] by the Controlling Shareholders Group, being a group of individuals acting in concert with each other. Details of the confirmation deed entered into by the members of the Controlling Shareholders Group are set out under the section headed "History, Reorganisation and Company Structure — Confirmation Deed" in this document. All the members of the Controlling Shareholders Group will be our controlling shareholders immediately after the [REDACTED].

Save as mentioned above, there is no other person who will, immediately following completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan), be directly or indirectly interested in more than 30% or more of the Shares in issue.

Competing Interests

Save and except for their respective interest in our Company, none of the members of the Controlling Shareholders nor any of their respective associates had interests in any other companies that compete or are likely to compete, either directly or indirectly, with the business of our Company during the Track Record Period and as at the Latest Practicable Date.

Undertakings

The Controlling Shareholders Group has given certain undertakings in respect of the Shares (including those as required by Rule 10.07(1) and Note (3) to Rule 10.07(2) of the Listing Rules) to our Company, the Stock Exchange, the [REDACTED] and the [REDACTED]. Please refer to the section headed "[REDACTED] — Undertakings" in this document for further details.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

The Directors consider that we are capable of carrying our business independent of the members of the Controlling Shareholders Group and their respective associates following the [REDACTED].

Management Independence

Our Board comprises two executive Directors, three non-executive Directors, one alternate Director to a non-executive Director and four independent non-executive Directors. Save as disclosed in the section headed "Directors and Senior Management" in this document, there is no other relationship among the Directors. Notwithstanding that Dr. Zhu, an executive Director, is a member of the Controlling Shareholders Group, our Directors are of the view that our Company is capable of maintaining management independence as:

- our strategies, management, operations and affairs are formulated, led, managed and/or supervised by our Board and not by any individual Director. All major and important corporate actions of our Company are and will be fully deliberated and determined by our Board objectively as a collective body;

- pursuant to the terms of the service contracts entered into between our Company and the executive Directors, every executive Director is required to devote substantially the whole of his time, attention and abilities during normal business hours and such additional hours as may reasonably be requisite to our Company;

- in the event that there is a potential conflict of interest in or arising out of any transaction to be considered and approved by our Board, the interested Director(s) shall abstain from voting at the relevant meeting of our Board considering and approving such transaction and shall not be counted towards the quorum of such Board meeting unless this is otherwise permitted under the Australian Corporations Act, the Constitution and/or the Listing Rules;

- we have four independent non-executive Directors, who are not associated with the members of the Controlling Shareholders Group or their respective associates. Resolutions of our Board approving any matters in which any of the executive Directors has a potential conflict of interest and/or material interest will only be considered and approved by the independent non-executive Directors (as under the provisions of the Constitution and the Listing Rules, the executive Directors will then be prohibited from voting on the resolution(s) and will not be counted towards the quorum of the relevant Board meetings at which the relevant resolution(s) is/are approved). The independence of our Board's decisions in respect of any matters in which any of our executive Directors has a potential conflict of interest and/or material interest is and can be ensured;

- our Company has established corporate governance procedures in safeguarding the interests of the Shareholders and enhancing Shareholders' value. Each Director is fully aware of his/her fiduciary duty to us, and will abstain from voting on any matter where there is or may be a conflict of interest as required under and in accordance with the Australian Corporations Act, the Constitution and the Listing Rules; and

- our Board from time to time delegates certain functions to, and is assisted by, its senior management in the implementation of the business plan and strategy as laid down by our Board. Our day-to-day management and operations is operated independently from the influence of the members of the Controlling Shareholders Group and their respective associates.

Operational Independence

Our Company has its own organisational structure made up of divisions including management and administration, finance and accounting, sales and marketing, education provision, and other divisions. Each division has a clear delineation of duties and functions as determined by our Board to promote efficiency, effectiveness and quality in the development of our business.

As a corporate governance body, the Council oversees and monitors our academic functions and is responsible for the determination of its framework principles in accordance with Australian higher education standards and the segregation of our governance and management system to ensure the academic freedom and independence of our higher education provision.

We have independent access to sources of suppliers necessary for the operation of our business as well as customers which are all Independent Third Parties. We hold the licences and registrations necessary for the operation of our business.

Financial Independence

We have established our own internal control, risk management and financial system (including bank accounts) that operate independently. Besides, we have our own accounting and finance department. During the Track Record Period and as at the Latest Practicable Date, there were no outstanding loans or amounts owning to or by and financial assistance provided to or by members of the Controlling Shareholders Group and/or their respective close associates. As such, the Directors are of the view that we are able to obtain external financing on market terms and conditions for its business operations as and when required and are not financially dependent on the Controlling Shareholders Group, Directors, related parties or any of their respective associates in the operation of its business.

DEED OF NON-COMPETITION

Each member of the Controlling Shareholders Group has entered into the Deed of Non-competition in favour of our Company, pursuant to which each of the covenantors has undertaken to us that with effect from the [REDACTED], he would not and would procure that none of his associates shall, except through his interests in our Company, whether as principal or agent and whether undertaken directly or indirectly, either on their own account or in conjunction with or on behalf of any person, corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, among other things, carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, directly or indirectly, any business which is, directly or indirectly, in any respect in competition with or similar to or is likely to be in competition with our business in Australia or such other places as we may conduct or carry on business from time to time including but not limited to the PRC ("**Restricted Business**").

Each member of the Controlling Shareholders Group has further undertaken to our Company that, with effect from the [REDACTED], in the event that any of them and/or any of their associates (except for our Company) is offered or becomes aware of any future business opportunity that may, directly or indirectly, compete with the Restricted Business ("**Competing Business Opportunity**"), he:

- shall promptly notify our Company in writing and refer such Competing Business Opportunity to our Company for consideration and provide such information as reasonably required by our Company in order to enable it to come to an informed assessment of such Competing Business Opportunity; and

- shall not, and shall procure his associates (other than our Company) not to, invest or participate in any project or the Competing Business Opportunity unless such project or the Competing Business Opportunity has been rejected by our Company and in respect of such projects and Competing Business Opportunity, the principal terms on which the relevant member of the Controlling Shareholders Group or his respective associates shall invest or participate are no more favourable than those made available to our Company.

Each member of the Controlling Shareholders has further undertaken to our Company that, with effect from the [REDACTED], they shall not and shall procure that none of their associate (except for our Company) shall directly or indirectly:

- at any time induce or attempt to induce any of our Director, manager or employee or consultant to terminate his or her employment or consultancy (as applicable) with us, whether or not such act of that person would constitute a breach of that person's contract of employment or consultancy (as applicable); or
- at any time employ any person who has been our Director, manager, employee of or consultant who is or may be likely to be in possession of any confidential information or trade secrets relating to the Restricted Business; or
- alone or jointly with any other person through or as manager, adviser, consultant, employee or agent for or shareholder in any person, firm or company, in competition with us, canvass, solicit or accept orders from or do business with any person with whom done business or solicit or persuade any person who has dealt with us or is in the process of negotiating with us in relation to the Restricted Business to cease to deal with us or to reduce the amount of business which the person would normally do with us or seek to improve their terms of trade with us.

The above undertakings do not apply where the members of the Controlling Shareholders Group and/or their respective associates have interests in the shares or any securities of a company that engages in the Restricted Business whose shares are listed on a recognised stock exchange provided that (a) the total number of shares held by the relevant members of the Controlling Shareholders Group and/or their respective associates in aggregate shall not exceed 10% of the issued shares of that class of our company in question; (b) the members of the Controlling Shareholders Group and their respective associates are not entitled to appoint a majority of the directors of that company; and (c) at any time there should exist at least another shareholder of that company whose shareholdings in that company is more than the total number of shares held by the members of the Controlling Shareholders Group and their respective associates in aggregate.

Further, the members of the Controlling Shareholders Group have undertaken that they will use their best endeavours and will procure their associates (except for members of our Company) to use their best endeavours to procure that their respective employees and any company under their control, whether individually or jointly, directly or indirectly (except for those within our Company), to observe the restrictions and undertakings contained in the Deed of Non-competition.

The members of the Controlling Shareholders Group represented and warranted that, as at the date of the Deed of Non-competition, none of them or any of the persons or companies in their control was interested or engaging, directly or indirectly, in (whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) the Restricted Business otherwise through us or is otherwise engaged in any business which is in competition or material competition to those of us.

Under the Deed of Non-competition, the members of the Controlling Shareholders Group further undertake to, and covenant with, our Company that during the period for which the Deed of Non-competition is in force:

- they shall allow, and shall procure that the relevant associates to allow the independent non-executive Directors to review, at least on an annual basis, whether the members of the Controlling Shareholders Group are in compliance with the Deed of Non-competition;

- they shall provide all information necessary for the annual review by the independent non-executive Directors and the enforcement of the Deed of Non-competition;

- our Company shall disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance and enforcement of the Deed of Non-competition either through the annual report, or by way of announcement to the public; and

- they shall provide our Company with a confirmation annually for inclusion by our Company in the annual report, in respect of their compliance with the terms of the Deed of Non-competition.

The undertakings given by each of the members of the Controlling Shareholders Group under the Deed of Non-competition shall lapse and the respective member of the Controlling Shareholders Group shall be released from the restrictions imposed on him upon the occurrence of the earliest of any of the following events or circumstances:

(a) the day on which the Shares cease to be [REDACTED] on the Stock Exchange;

(b) the day on which the relevant member of the Controlling Shareholders Group and/or his/its associates cease to hold, taken together, 30% or more of the issued share capital of our Company or otherwise the Controlling Shareholders Group ceases to be a controlling shareholder of our Company; or

(c) with respect to respective member of the Controlling Shareholders Group, the day on which the relevant member of the Controlling Shareholders Group ceases to beneficially own or is no longer interested in any issued share capital of our Company.

CORPORATE GOVERNANCE MEASURES

To further protect the interests of the independent Shareholders, our Company will adopt the following corporate governance measures to manage any potential conflicts of interest:

- the independent non-executive Directors will review, on an annual basis, the compliance with the Deed of Non-competition by the members of the Controlling Shareholders Group;

- each of the members of the Controlling Shareholders Group undertakes to provide all information requested by us which is necessary for fulfilment of the Deed of Non-competition, including the annual review by the independent non-executive Directors;

- our Company will disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance with the Deed of Non-competition in our Company's annual reports; and

- the members of the Controlling Shareholders Group will make an annual declaration in relation to their compliance with the Deed of Non-competition in the annual reports of our Company.

Further, any transaction that is proposed between our Company and the members of the Controlling Shareholders Group and/or their respective associates will be required to comply with the requirements of the Listing Rules including, where appropriate, the reporting, annual review, announcement and independent shareholders' approval requirements.

We have entered into certain transactions with certain persons who will become our connected persons upon the [REDACTED] under the Listing Rules, the details of which are set out below. The transactions disclosed in this section will continue after the [REDACTED] and hence, upon the [REDACTED], will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

A. CONNECTED PERSONS

PwC Nominees, as a nominee for PwC Australia, is a substantial shareholder of our Company. Accordingly, PwC Australia is a connected person of our Company.

B. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Alliance Agreement

Pursuant to the Alliance Agreement, TOP and PwC Australia agreed to establish a strategic alliance and work together to grow and promote TOP's business, including the provision of various services ("**PwC Australia Services**") by PwC Australia to TOP for a period commencing from 27 May 2016 to 31 March 2023, subject to extension as TOP and PwC Australia may agree, unless otherwise terminated by either party. The terms of the Alliance Agreement were negotiated between the parties on an arm's length basis. Further details of the Alliance Agreement are disclosed in the section headed "Business — Our Alliance with PwC Australia and Related Business Strategies" in this document.

The provision of the PwC Australia Services will be subject to the standard terms of PwC Australia's engagement letters to be separately entered into with TOP as and when TOP requires the PwC Australia Services, including the service fees (the "**Service Fees**") which are calculated with reference to the nature of services provided, PwC Australia's standard rates as applicable at the time of the PwC Australia Services as well as the estimated number of chargeable hours involved.

(a) Reasons for the transactions

As mentioned in the section headed "Business — Competitive Strengths" in this document, our alliance arrangement with PwC Australia under the Alliance Agreement has provided us with a competitive advantage in that it has enhanced our standing, marketing position and future development prospects. Our strong background in business and accounting education, along with our recently founded law school, has strong synergies with PwC Australia's extensive history in business and accounting services, along with their recent growth strategy into the legal services market in Australia. The Alliance Agreement allows us to publicly use a co-brand "Top Education in alliance with PwC" at an institutional level, subject to PwC Australia's approval in each new instance, which we believe is very attractive to both students and corporate training clients, and our students also benefit from the services provided by PwC Australia under the Alliance Agreement such as the SCDP. Our students also benefit from the enhanced learning experiences with special lectures provided by PwC Australia's senior professionals, our SCDP program with PwC Australia, and work experience opportunities with PwC Australia. In the long term, our Alliance with PwC Australia supports our goal of becoming a university of specialisation in the management and commerce field.

Under the Alliance Agreement, PwC Australia and TOP will also offer each other, in respect of higher education and executive education services, certain preferred terms including, but not limited to, trading terms not less favourable than those offered to any other party in the higher education sector and a first option to take up opportunities working together.

Under the Listing Rules, any written agreement for a continuing connected transaction should not be more than three years except in special circumstances where the nature of the transaction requires the agreement to be of a longer period. Given the importance of our alliance with PwC Australia which provides us with a competitive edge as discussed above, our Directors consider that it is in the interest of our Company and our Shareholders to maintain and cultivate a long-term relationship with PwC Australia to ensure its continuous participation in the development of our business and operations and enable us to maximise the long-term benefits of PwC Australia's involvement.

(b) Historical transaction amounts

The table below sets out the transaction amounts in relation to the PwC Australia Services during the Track Record Period:

	Historical transaction amounts for the year ended 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Total	—	—	536

Proposed annual caps and basis

The table below sets out the proposed annual caps of the transactions contemplated under the Alliance Agreement for each of the three years ending 30 June 2018, 2019 and 2020:

	Proposed annual cap for the year ending 30 June		
	2018	**2019**	**2020**
	AUD$'000	**AUD$'000**	**AUD$'000**
Total	1,000	650	650

The proposed annual caps set out above for the three years ending 30 June 2020 are based on our historical transaction amounts and the expected demand for PwC Australia Services as follow:

(i) **SCDP:** We intend to increase SCDP cohorts from one in the year ended 30 June 2017 to four cohorts annually starting from the year ending 30 June 2018. The maximum number of students is 40 per cohort, and the first cohort of the year ending 30 June 2018 was completed in July 2017 with 31 students in attendance. This expected increase in frequency of the SCDP is based on student feedback;

(ii) **Corporate training:** Our corporate training is co-branded with PwC Australia and we work with PwC Australia representatives in developing course materials and content where relevant. As at 30 June 2017, we have had more than 10 corporate training clients. We have also co-developed with PwC Australia The Belt and Road Development Abroad training program designed to take advantage of the interest in China's Belt and Road Initiative and we delivered this program for the first time in March 2017. It is expected that we will deliver an increasing number of corporate training programs and The Belt and Road program during the three years ending 30 June 2020, which provides a new revenue stream for us by leveraging our strengths as a higher education provider. This would increase the procurement of these training services from PwC Australia;

(iii) **Digital services including virtual reality:** We have built an innovative VR application with PwC Australia's assistance, which is already being used in one of our accounting units. We plan to further enhance our capability in this area with PwC Australia's assistance, growing our VR modules and other digital education methods to further supplement traditional classroom learning. This includes the development of online SCDP programs, which has commenced as at the Latest Practicable Date with an initial module and will create a new revenue stream for us. Therefore, it is expected that there will be an increasing demand for PwC Australia's digital and VR services during the three years ending 30 June 2020;

(iv) **Professional services:** In preparation of our proposed [REDACTED], it is expected that a majority of the PwC Australia Services to be used for the year ending 30 June 2018 will be professional accounting, tax and legal related services for the purpose of the [REDACTED]. Therefore, upon the [REDACTED], it is expected that our demand for PwC Australia's professional services will decrease for the two years ending 30 June 2020.

(c) Implications under the Listing Rules

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual cap is less than 5%, the transactions under the Alliance Agreement will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but is exempted from independent shareholders' approval.

C. APPLICATION FOR WAIVERS

The transactions under the Alliance Agreement constitute our continuing connected transactions under Chapter 14A of the Listing Rules, which are subject to the reporting, annual review and announcement requirements of the Listing Rules. As these non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis, our Directors (including our independent non-executive Directors) consider that compliance with the above announcement requirements will be impractical, will add unnecessary administrative costs and will be unduly burdensome.

Accordingly, pursuant to Rule 14A.105 of the Listing Rules, our Company has applied for, and the Stock Exchange [has granted] to our Company, a waiver exempting us from strict compliance with the announcement requirements of the Listing Rules, subject to the condition that the aggregate values of the continuing connected transactions for each financial year not exceeding the relevant amounts set out in the respective annual caps (as stated above) and there being no significant changes in the terms of such transactions. The waiver [granted] by the Stock Exchange for the above non-exempt continuing connected transactions will expire on 30 June 2020. Upon expiry of the waiver, our Company will re-comply with the then applicable Listing Rules, including the requirements for setting new monetary annual caps for the Service Fees payable by us to PwC Australia under the Alliance Agreement.

In addition, our Company has applied for, and the Stock Exchange [has granted] to us, a waiver from strict compliance with the requirement under Rule 14A.52 of the Listing Rules for the Alliance Agreement where its term will expire in March 2023 such that it will exceed three years.

D. DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that the continuing connected transactions pursuant to the Alliance Agreement have been entered into, and will be carried out (i) in the ordinary and usual course of business; (ii) on normal commercial terms; (iii) on terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (iv) that the annual caps of these continuing connected transactions are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

Further, our Directors (including our independent non-executive Directors) are of the view that it is in the interests of our Company and our Shareholders as a whole to have the Alliance Agreement with a term longer than three years, after taking into account the strategic benefits of such agreement as discussed in the section headed "Business — Competitive Strengths" in this document. It is also a normal business practice for alliance arrangements of this type to have a longer term for better collaboration and planning among the parties.

E. SOLE SPONSOR'S VIEWS

The Sole Sponsor is of the view that the continuing connected transactions pursuant to the Alliance Agreement have been and will be entered into in the ordinary and usual course of our business, are based on normal commercial terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps of these continuing connected transactions are fair and reasonable and are in the interests of our Company and our Shareholders as a whole.

Further, the Sole Sponsor also concurs with our Directors' view that it is a normal business practice, and in the interest of our Company and our Shareholders for the Alliance Agreement to have a term of longer than three years.

GENERAL

The table below sets out certain information concerning our Directors and members of senior management:

Name	Age	Date of joining our Company	Current position in our Company	Date of appointment as Director	Key role and responsibilities
Dr. Minshen Zhu 祝敏申	67	2 October 2001	Executive Director, chairman of our Board, Chief Executive Officer, and Principal	2 October 2001 (re-designated as an executive Director on [●] 2017)	Corporate strategic planning and overall business development, management of our Company as well as participating in the day-to-day management of our business operations, and member of the nomination committee of our Company
Ms. Sumeng Cao 曹蘇萌	34	6 June 2011	Executive Director, Vice President (External Engagement)	27 October 2017 (re-designated as a non-executive Director on [●] 2017)	Formulating and implementing our corporate strategies and participating in the day-to-day management of our business operations
Mr. Amen Kwai Ping Lee 李桂平	58	2 October 2001	Non-executive Director	2 October 2001 (re-designated as an executive Director on [●] 2017)	Attendance of board meetings to perform duties as a Board member but not participating in the day-to-day management of our business operations, and member of the remuneration committee
Mr. Thomas Richard Seymour	47	27 May 2016	Non-executive Director	27 May 2016 (re-designated as a non-executive Director on [●] 2017)	Attendance of board meetings to perform duties as a Board member but not participating in the day-to-day management of our business operations
Mr. Kai Zhang 張愷 . .	38	27 May 2016	Alternate Director to Mr. Thomas Richard Seymour	27 May 2016	Attendance of board meetings to perform duties as a Board member but not participating in the day-to-day management of our business operations
Mr. Jing Li 李晶	36	29 July 2016	Non-executive Director	29 July 2016 (re-designated as a non-executive Director on [●] 2017)	Attendance of board meetings to perform duties as a Board member but not participating in the day-to-day management of our business operations

Name	Age	Date of joining our Company	Current position in our Company	Date of appointment as Director	Key role and responsibilities
Professor Weiping Wang 王衛平	65	[●] 2017	Independent non-executive Director	[●] 2017	Supervising and providing independent judgment on the business and operations of our Company, and acting as a member of the audit committee and as a member of the nomination committee of our Company
Professor Brian James Stoddart	71	[●] 2017	Independent non-executive Director	[●] 2017	Supervising and providing independent judgment on the business and operations of our Company, and acting as the chairman of the nomination committee of our Company
Mr. Tianye Wang 王天也	59	[●] 2017	Independent non-executive Director	[●] 2017	Supervising and providing independent judgment on the business and operations of our Company, and acting as the chairman of the audit committee and as a member of the remuneration committee of our Company
Professor Steven Schwartz	70	[●] 2017	Independent non-executive Director	[●] 2017	Supervising and providing independent judgment on the business and operations of our Company, and acting as a member of the audit committee and as the chairman of the remuneration committee of our Company

Name	Age	Date of joining our Company	Current position in our Company	Key role and responsibilities
Senior management				
Ms. Sumeng Cao 曹蘇萌	34	6 June 2011	Vice President (External Engagement); please refer to the section headed "Board of Directors" above for her role as an executive Director	Setting up strategic and business development plans and operations of our Company in relation to marketing, recruitment and business channels
Ms. Rongning Xu 徐榕寧	30	3 June 2009	Vice President (Regulatory & Compliance)	Implementing academic policies and procedures of TOP, and administrative rules and regulations of TEQSA as well as the management of academic affairs, operations and risk management of our Company

BOARD OF DIRECTORS

Our Board is responsible for and has general powers over the management and conduct of our business. It consists of ten Directors including two executive Directors, three non-executive Directors, four independent non-executive Directors and one alternate Director.

Executive Directors

Dr. Minshen Zhu 祝敏申, aged 67, is the Chairman, executive Director, chief executive officer and principal of our Company and is a member of our nomination committee. Dr. Zhu is primarily responsible for the overall management, education and business development, and strategic planning of our Company.

Dr. Zhu has over 16 years of experience within the private higher education industry in Australia. Since founding our Company in October 2001, Dr. Zhu has been a Director and the secretary of our Company. From 2009, Dr. Zhu has served in our Company as the chief executive officer and principal. Dr. Zhu is also the chairman of the risk management committee. Before founding and joining our Company, Dr. Zhu held key management positions in a number of multinational corporations in various industries, including international trading.

In addition to his employment positions above, Dr. Zhu has been appointed to various academic and public advisory roles. Since 2008, Dr. Zhu has been a Board Member of the Confucius Institute of the University of Sydney, an institute primarily engaged in the promotion of Chinese language and culture. Dr. Zhu was also appointed as a member of the NSW-East Asia Business Council of the New South Wales Government in 2000, the NSW-Asia Business Advisory Council from September 2003 to June 2007, the Asia Business Council from September 2007 to June 2010 which all principally engage in the promotion and research of continued economic development and competitiveness of the Asia region. From August 2012 to September 2013, he was a member of the Chinese Ministerial Consultative Committee of the Australian Federal Government, which is principally engaged in the promotion of the needs, interests and concerns of the Chinese community in Australia. In September 2013, Dr. Zhu was appointed as a member of the China Overseas Exchange Association ("**COEA**") for four years. Since September 2017, Dr. Zhu has been an executive council member of the COEA. Dr. Zhu has been invited to attend the 12th National Committee of the Chinese People's Political Consultative Conference in March 2014.

Dr. Zhu graduated with a Bachelor of Chinese Language and Literature in January 1982 from Fudan University, China, and a Doctor of Philosophy in Far Eastern History from the Australian National University, Australia in September 1989. Further, Dr. Zhu completed an executive training program in Crisis Leadership in Higher Education in March 2010 from the Harvard Graduate School of Education of Harvard Kennedy School in the United States.

Dr. Zhu has also been involved in the publication of an academic reference book on university-level calligraphy in 1985 as chief-editor, "The Shuowen Jiezi, the Dawn of Studies of the Ancient Characters" (Fudan University Press, 1999) as an author, and the article "Labor Structure vs Education" (BOAO Forum for Asia, 2013) as part of the annual publications for the BOAO Forum for Asia in 2013.

Dr. Zhu was a director of the following companies incorporated in Australia at the time of their dissolutions or within one year prior to their dissolutions:

Name of company	Principal business activity or nature of business prior to dissolution	Date of dissolution/ deregistration	Means of dissolution	Reasons for dissolution
J.A. International (Holdings) Pty. Ltd	International trade	10 July 1999	Deregistration	No business operations
Citifashion Finance Australia Pty Ltd	Fashion industry investment	30 September 2000	Deregistration	No business operations
Super-star Development Pty Ltd	Garment manufacture	29 December 2002	Deregistration	No business operations
The Australian Chinese Times (Publication) Pty Ltd	Publication	25 August 2003	Deregistration	No business operations
Bridge Investment Group Pty Ltd	Investment	25 August 2003	Deregistration	No business operations
AC Media Pty Ltd(1)	Media	22 May 2005	Deregistration	No business operations
Australia Tourism Training Group Pty Ltd	Tourism service and training	7 August 2005	Deregistration	No business operations
Top International Development & Investment Pty Ltd	Informational investment and trading	21 November 2007	Deregistration	No business operations
Australian-Chinese Press Pty. Limited	Media	22 April 2008	Deregistration	No business operations
Super-star Industry Pty. Limited	Property development	25 August 2010	Deregistration	No business operations
V-Star Resources Pty Ltd	International trading	14 October 2012	Deregistration	No business operations

Note:

(1) The winding up process of AC Media commenced on 12 August 2002 involving a total creditors' claim amount of approximately AUD$1.7 million. The winding up process was completed on 24 January 2005. The liquidators acting on this case confirmed that Dr. Zhu is free from any liability in relation to the past trading of AC Media Pty Ltd. As a result of their investigations, it was noted that Dr. Zhu was a creditor of AC Media Pty Ltd.

Dr. Zhu confirmed that the above companies were not in operations immediately prior to their dissolutions, there is no wrongful act on his part leading to the dissolutions, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolutions, and that no misconduct or misfeasance has been involved in the dissolutions of these companies.

Ms. Sumeng Cao 曹蘇萌, aged 34, was appointed as an executive Director of our Company on [●] 2017.

Ms. Cao has over five years of experience in the education industry. Ms. Cao joined our Company in June 2011 as a marketing officer and was promoted to be a marketing manager of our Company in July 2012. Further, she was appointed as the Co-Director of Professional Year Programs of our Company in September 2013 and was primarily responsible for the marketing and the management of these programs. In April 2014, Ms. Cao was the executive assistant to the Principal of TOP and was then promoted in July 2015 as the Assisting Principal (External Engagement), followed by her promotion as the Vice President (External Engagement) of TOP in July 2017. She has since been responsible for setting up the strategic and business development plan and operations of TOP in relation to marketing, recruitment and business channels. In addition, Ms. Cao has been TOP's Chief Operating Officer of the alliance programs with PwC Australia since May 2016, being primarily responsible for the strategic planning of the Alliance Agreement and execution of the business activities between TOP and PwC Australia.

Ms. Cao graduated with a Master of Translating and Interpreting in September 2008 from Macquarie University, Australia, and a Master of Professional Accounting from the University of Technology, Australia in August 2010. Ms. Cao has received pre-admission for the Executive Doctorate in Business Administration program of Université Paris-DAUPHINE in July 2017.

Ms. Cao was a supervisor of the following company incorporated in the PRC prior to its dissolution:

Name of company	Principal business activity or nature of business prior to dissolution	Date of dissolution/ deregistration	Means of dissolution	Reasons for dissolution
Tianjin Aolang Education Technology Co Ltd	English language training	28 July 2017	Deregistration	No business operations

Ms. Cao confirmed that the above company was not in operations immediately prior to its dissolution, there is no wrongful act on her part leading to the dissolution, she is not aware of any actual or potential claim which has been or will be made against her as a result of the dissolution, and that no misconduct or misfeasance has been involved in the dissolution of the above company.

Non-executive Directors

Mr. Amen Kwai Ping Lee 李桂平, aged 57, is our non-executive Director. Mr Lee joined our Company as our Director in November 2001 and is a member of our remuneration committee.

Mr. Lee has over 30 years of experience in management. From 1983 to June 2017, Mr. Lee was a managing director of Transways Group Pty Ltd, a company founded by him which is primarily engaged in the provision of logistics services, where he was responsible for business and strategic development and business management. He is currently a chairman of Transway Group Pty Ltd.

Mr. Lee completed a Diploma of Competence in Freight Forwarding in Montreal, Canada, certified by the International Federation of Freight Forwarders Association in September 1993. Mr. Lee was conferred a Doctorate degree in Business and administration in December 2015 by Westcliff University in the United States.

In May 1988, Mr. Lee was appointed as an associate fellow of the Australian Institute of Management. Mr. Lee was appointed as a justice of the peace of New South Wales in May 1989 and was awarded the medal of the Order of Australia in the General Division in Australia in January 2009.

Mr. Lee was a director of the following companies incorporated in Australia prior to their dissolutions:

Name of company	Principal business activity or nature of business prior to dissolution	Date of dissolution/ deregistration	Means of dissolution	Reasons for dissolution
Bushridge Pty Ltd	Investment	27 February 1992	Deregistration	No business operation
Zabport Pty Limited	Freight export and import	18 September 1996	Deregistration	No business operation
Davies, Lee & Co Pty Limited	Property investment	7 October 1997	Deregistration	No business operation
Fibece Pty Ltd	Freight forwarding	21 November 1997	Deregistration	No business operation
Transways Freight International (Australia) Pty Limited	Freight forwarding	11 September 1998	Deregistration	No business operation
East-West E-business Centre Pty Ltd.	Digital media	28 April 2001	Deregistration	No business operation
Super-star Development Pty Ltd	Garment manufacture	29 October 2002	Deregistration	No business operation
Wells Cargo Agencies Pty Ltd	Freight forwarders	10 October 2004	Deregistration	No business operation
TRP Pty Limited	Business consulting	6 November 2005	Deregistration	No business operation
Translink Shipping Pty Limited	Freight forwarding	4 March 2008	Deregistration	No business operation
Super-Star Industry Pty Limited	Property development	25 August 2010	Deregistration	No business operation
Golden Kingdom Group Pty Ltd	Homeware imports	22 September 2011	Deregistration	No business operation
Australia Foshan International Trading Pty Ltd.	Imports and exports	19 September 2013	Deregistration	No business operation
BDT Transport Pty Ltd	Freight forwarding	13 January 2016	Deregistration	No business operation
Premier Plus Consulting Pty Ltd	Business consulting	23 August 2017	Deregistration	No business operation

Mr. Lee confirmed that the above companies were not in operations immediately prior to their dissolutions, there is no wrongful act on his part leading to the dissolutions, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolutions, and that no misconduct or misfeasance has been involved in the dissolutions of these companies.

Mr. Thomas Richard Seymour, aged 47, is our non-executive Director.

Mr. Seymour has over 10 years of experience in management. He joined our Company in which he has been a Director since May 2016. Prior to this, Mr. Seymour joined PwC Australia as a graduate in 1994 and was admitted to the PwC Australia partnership in 2002. Since 2002, Mr. Seymour has served as a PwC Australia partner, and was appointed a member of the executive board of PwC Australia since 2012. Since 2015, Mr. Seymour has been a member of the PwC Australia Global Tax leadership team and has been responsible for leading PwC Australia's Asia Pacific and Americas tax business. Since 2016, he has been the managing partner of PwC Australia's Financial Advisory business, and has been responsible for overseeing and managing PwC Australia's tax, deals, legal, and private client's businesses.

Mr. Seymour graduated with a Bachelor of Business (Accountancy) in March 1992 from Queensland University of Technology, Australia, and a Bachelor of Laws in February 1994 from Bond University, Australia. Mr. Seymour is currently holding a Certificate of Public Practice, awarded by The Institute of Chartered Accountants in Australia (now known as CAANZ) in September 2002.

Mr. Jing Li 李晶, aged 36, is our non-executive Director.

Mr. Li has over five years of experience in management. Since May 2012, he has been serving as a director in Yantai Metastar Special Paper Co., Ltd, a company primarily engaged in the production and of paper listed on the National Equities Exchange and Quotations ("**NEEQ**") (Stock Code: 833394). Since September 2014, he has served as a supervisor in Sichuan Neo-Life Stem Cell Biotech Inc, a company primarily engaged in stem cell research and the provision of stem cell biological technology services. Since June 2015, he has been the supervisor of Beijing ZIZHUHUI Construction Services Co. Ltd, a company primarily engaged in construction and is listed on the NEEQ (Stock Code: 834243). Mr. Li has been a Director of our Company since July 2016.

Mr. Li graduated with a Bachelor of Mechanical Engineering in October 2004 from McGill University, Canada, and a Master of Science in Mechanical Engineering from Stanford University, United States in April 2006.

Mr. Li was a chairman and general manager of the following company incorporated in the PRC prior to its dissolution:

Name of company	Principal business activity or nature of business prior to dissolution	Date of commencement of dissolution procedure/ date of dissolution	Means of dissolution	Reasons for dissolution
Fujian Jianyin Channel Equity Investment Management Co. Ltd .	Investment management	10 October 2015	Deregistration	Shareholders have decided to change investment decision

Mr. Li confirmed that the above company was not in operations immediately prior to its dissolution, there is no wrongful act on his part leading to the dissolution, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolution, and that no misconduct or misfeasance has been involved in the dissolution of the above company.

Independent Non-executive Directors

Professor Weiping Wang 王衛平, aged 65, has been appointed as our independent non-executive Director on [●] and is a member of the audit committee and nomination committee.

Professor Wang has over 20 years of experience in higher education. Professor Wang had been vice president and executive vice president of the Shanghai Medical University since 1996 and 1998, respectively. In July 2005, Professor Wang was appointed as executive vice-president of Fudan University until April 2011, during which he has responsible for managing hospital affairs and overseeing international exchange and medical education. From March 2012 to March 2016, Professor Wang served as the Chairman of the Teaching Steering Committee of Fudan University. In June 2016, He was appointed as an independent non-executive director of Rici Healthcare Holdings Limited, a company principally engaged in the hospital services listed on the Stock Exchange (stock code: 1526), where he has been re-designated as an executive director since June 2017.

Professor Wang was accredited as a higher education institution teacher in September 1996 by the State Education Commission of the PRC and as a Professor of Pediatrics in December 1994 by Shanghai Medical University (上海醫科大學). He was awarded the Shanghai Higher Education Institute Teaching Award (上海高校教學名師獎) in July 2009 by the Shanghai Education Committee.

Professor Wang graduated with a Medical degree in August 1978 and a Master degree in Medicine in October 1982, from Norman Bethune University (白求恩醫科大學), now known as Norman Bethune College of Medicine of Jilin University (吉林大學) in China. Professor Wang also graduated with a PhD in Medicine in December 1988 from Shanghai Medical University in China.

Professor Brian James Stoddart, aged 71, has been appointed as our Independent Non-executive Director on [●] and is a member of the Council. He is the chairman of the nomination committee of our Company.

Professor James Stoddart has over 20 years of experience in higher education. Before joining our Company in which he has been a Foundation Chair of the Council since 2008, Professor Stoddart held various academic positions at numerous Universities in Australia. From 1997 to 1998, Professor Stoddart was an academic director of Royal Melbourne Institute of Technology. He also held vice-chancellor and deputy vice-chancellor positions at University of New England, Victoria University of Technology, and La Trobe University from 1998 to 2003, 2003 to 2004, and 2005 to 2006 respectively. From March 2007 to March 2008, Professor Stoddart served as Deputy Vice-Chancellor (Research) with the University of Newcastle, Australia. Professor Stoddart was technical adviser to the Department of Higher Education in Cambodia from 2010 to 2013. From 2013 to 2014, Professor Stoddart then served as consultant for Australia Awards Bhutan, an entity outsourced by the Australian government to manage the Australia Awards Scholarships awarded to Bhutanese citizens to study in Australia. In addition, he provides certain services to our Company from time to time, such as preparing meeting documentations and correspondence with TEQSA.

Professor Stoddart graduated with a Bachelor of Arts in English, History, and Asian Studies in May 1969 and a Master of Arts in History in May 1970 from the University of Canterbury, New Zealand. Professor Stoddart subsequently graduated with a Doctor of Philosophy in May 1976 from the University of Western Australia.

Mr. Tianye Wang 王天也, aged 59, has been appointed as our independent non-executive Director on [●]. He is the chairman of the audit committee and member of the remuneration committee.

Mr. Wang has over 20 years of experience in management and accounting services. From February 1981, Mr. Wang began his employment at the Beijing Branch of Bank of China, and from 1991 to 1993, Mr. Wang served as manager of the foreign currency department of the Beijing Branch of the Bank of China, a financial institution providing financial services. He also held various positions in companies listed on the Stock Exchange. He was executive director and chief executive officer of Central China Real Estate Limited (stock code: 0832), a company principally engaged in residential property development, from November 2004 to June 2012, executive Director of Top Spring International Holdings Limited (stock code: 3688), a company principally engaged in real-estate development, since September 2012, and independent non-executive director of China Logistics Property Holdings Company Limited (stock code: 1589), a company principally engaged in premium logistics facilities, since June 2016. He has also been the independent non-executive Director of Henan Pinggao Electric Company Limited (stock code: 600312), a company listed on the Shanghai Stock Exchange, since September 2014.

Mr. Wang graduated with a degree in international finance from the Renmin University School of Finance in July 1985. Mr. Wang then graduated with a Master of Applied Finance in April 1996 from the Macquarie University, Australia, and was also admitted as a Senior Associate of the Australian Institute of Banking and Finance in April 1996.

Mr. Wang was an executive director, general manager, and legal representative of the following company incorporated in the PRC at the time of or within one year prior to its dissolution:

Name of company	Principal business activity or nature of business prior to dissolution	Date of commencement of dissolution procedure/ date of dissolution	Means of dissolution	Reasons for dissolution
Changzhou Top Spring Advertisement Co Ltd (常州萊蒙廣告有限公司)	Advertising	13 September 2013	Deregistration	Shareholders have decided to change investment decision

Mr. Wang confirmed that the above company was not in operations immediately prior to its dissolution, there is no wrongful act on his part leading to the dissolution, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolution, and that no misconduct or misfeasance has been involved in the dissolution of the above company.

Professor Steven Schwartz, aged 70, has been appointed as our independent non-executive Director on [●] and is a member of the Council. He is the chairman of the remuneration committee and a member of the audit committee of our Company.

Professor Schwartz has over 20 years of experience in higher education. From 1996 to 2002, 2002 to 2005, and 2006 to 2012, Professor Schwartz served as vice chancellor of Murdoch University, Brunel University, and Macquarie University, respectively, where he was responsible for academic growth and development. In May 2013, he was appointed to the Council for the Humanities, Arts and Social Sciences of Canberra in Australia as the chief executive officer, and has been the chairman of the Australian Curriculum Assessment and Reporting Authority since June 2015.

Professor Schwartz was awarded the Order of Australia in January 2013 and was appointed as a fellow of the Academy of Social Sciences in Australia in 1991. From 2011 to 2013, he was the chairman of the Australian American Fulbright Commission, a foreign exchange scholarship programme in United States. He is currently a honorary senior fellow of the LH Martin Institute of the University of Melbourne, which is a national institute aiming to serve the tertiary education sector in Australia and New Zealand.

Professor Schwartz obtained his degree in Bachelor of Arts from the Brooklyn College of the City University of New York in June 1967. He then obtained his Master Degree in Psychology and his PhD from Syracuse University in New York in January 1970 and June 1971, respectively.

Professor Schwartz was a director of the following company incorporated in Australia within one year prior to its dissolution:

Name of company	Principal business activity or nature of business prior to dissolution	Date of dissolution/ deregistration	Means of dissolution	Reasons for dissolution
AM-SI Pty Ltd	Investment holding	26 August 2003	Deregistration	No business operations

Professor Schwartz confirmed that the above company was not in operations immediately prior to its dissolution, there is no wrongful act on his part leading to the dissolution, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolution, and that no misconduct or misfeasance has been involved in the dissolution of the above company.

Alternate Director to Mr. Seymour

Mr. Kai Zhang 張愷, aged 38, has been appointed as the alternate Director to Mr. Seymour since 27 May 2016.

Mr. Zhang has over five years of experience in accounting services. He has been employed by PwC Australia since 2011 and was appointed as a partner of PwC Australia in July 2012. Since July 2013, he has been serving as the national lead partner of the China Desk at PwC Australia.

Mr. Zhang was awarded the Graduate Diploma (ICAA) in December 2005 by the Institute of Chartered Accountants in Australia (now known as CAANZ), and was subsequently admitted as a member of the Institute of Chartered Accountants in Australia in May 2006. In July 2012, Mr. Zhang was admitted as a fellow of the Tax Institute in Australia.

Mr. Zhang graduated with a Bachelor of Economics in July 2001 from Fudan University, China, and a Master of Practising Accounting in October 2004 from Monash University, Australia. In May 2005, Mr. Zhang completed the Graduate Diploma of Business Administration from La Trobe University, Australia. Subsequently, Mr. Zhang graduated with a Master of laws (Juris Doctor) in May 2012 from the Monash University, and a Master of Tax from the University of Melbourne in August 2012.

Mr. Zhang was a director of the following companies incorporated in Australia prior to their dissolutions:

Name of company	Principal business activity or nature of business prior to dissolution	Date of dissolution/ deregistration	Means of dissolution	Reasons for dissolution
LKZ Pty Ltd [(1)] . . .	Trustee of dental business of spouse	16 February 2002	Creditor's voluntary winding-up	Insolvency
Tax & Co Pty Ltd . .	Dormant	20 March 2015	Deregistration	No business operations

Note:

(1) The liquidation of LKZ Pty Ltd was commenced on 10 January 2001 on the ground that it was not able to meet its financial commitments as a result of a downturn in work, non-settlement of amounts from clients and increase of operation costs.

Mr. Zhang confirmed that the above companies were not in operations immediately prior to their dissolutions, there is no wrongful act on his part leading to the dissolutions, he is not aware of any actual or potential claim which has been or will be made against him as a result of the dissolutions, and that no misconduct or misfeasance has been involved in the dissolutions of these companies.

Save as disclosed above, each of our Directors confirms with respect to himself/herself that (a) he/she does not have any relationship with any other Directors, senior management or substantial Shareholders or Controlling Shareholders; (b) he/she does not have any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the date of this document; (c) there is no other information that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules; (d) he/she does not have any interests in Shares within the meaning of Part XV of the SFO; and (e) there are no other matters that need to be brought to the attention of our Shareholders and potential investors.

SENIOR MANAGEMENT AND JOINT COMPANY SECRETARIES

Our senior management is responsible for the day-to-day management and the implementation of and operation of our business.

***Ms. Sumeng Cao* 曹蘇萌**

For details about the biography of Ms. Cao, please refer to this section headed "— Executive Directors" in this document.

***Ms. Rongning Xu* 徐榕寧**

Ms. Xu, aged 31, has been the Vice President (Regulatory & Compliance) of our Company and is responsible for the implementation of academic policies and procedures of TOP, and the administrative rules and regulations of TEQSA as well as the management of the academic affairs, operations and risk management of TOP.

Ms. Xu has over four years of experience in the education industry. Ms. Xu joined our Company in June 2009 as a Casual Tutor and served in this role until October 2010, during which she was responsible for teaching and academic matters. From November 2010 to January 2012, Ms. Xu was employed by Nanjing Da Lve Industry Trade Co. Ltd, a company principally engaged in goods trading, as senior project manager. Ms. Xu then re-joined our Company as Lecturer and Academic Programs Coordinator in August 2013. From September 2013 to December 2013, Ms. Xu served as Co-Director of Professional Year Program. From December 2013 to February 2016, Ms. Xu served as an acting director of business programs. Ms. Xu was then promoted to be a senior lecturer and an Associate Dean of Business School since February 2016 until she assumed the current role as the Vice President (Regulatory and Compliance) of our Company in June 2017.

Ms. Xu obtained her Bachelor of Financial Administration in April 2008 and her Master of Commerce (Accounting and Finance) from the University of New England in April 2009. Ms. Xu was admitted to full membership of CPA Australia in August 2013. In September 2014, Mr. Xu obtained her Postgraduate Certificate of Higher Education in learning and teaching from Macquarie University in Australia.

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, our senior management has not been a director of a public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document.

Ms. Min Ying and Ms. Yuk Yin Ivy Chow are the joint company secretaries of our Company.

***Ms. Min Ying* 應珉**

Ms. Min Ying, aged 30, is one of the joint company secretaries of our Company, and has been a company secretary of our Company since April 2017.

Ms. Ying joined our Company in July 2013 as a tutor of TOP. From December 2013 to June 2014, Ms. Ying was employed by Lambda Chase Pty Ltd, a firm of chartered accountants as a manager where she was responsible for matters in relation to accountancy services. In July 2014, Ms. Ying re-joined our Company as accountant of our Company and was appointed as [REDACTED] project manager in December 2016, where she was responsible for [REDACTED] project coordination and analysis of the performance of education companies in various equity markets.

Ms. Ying obtained her Bachelor of Engineering from the Chinese University of Hong Kong in December 2009 and her Master of Accounting (CPA Extension) in July 2012 from Macquarie University in Australia. In January 2017, she was admitted to full membership of CPA Australia.

Ms. Yuk Yin Ivy Chow

Ms. Yuk Yin Ivy Chow, aged 47, was appointed as one of the joint company secretaries of our Company in September 2017. Ms. Chow has over 20 years of experience in the corporate secretarial field.

Since January 2003, she has been working in the group companies of Tricor Services Limited, a global professional services provider specializing in integrated Business, Corporate and Investor Services, with her latest and current position as Director, Corporate Services Division, where she has been responsible for the provision of professional corporate secretarial services to companies listed on the Stock Exchange and other multinational, private and offshore companies. Prior to that, Ms. Chow worked with PricewaterhouseCoopers Limited in various positions in the company secretarial section of its tax department from March 1994 to January 2003 for provision of professional corporate secretarial services.

Ms. Chow has been a member of both the Hong Kong Institute of Chartered Secretaries ("**HKICS**") and the Institute of Chartered Secretaries and Administrators in the United Kingdom ("**ICSA**") since April 1998 and a fellow of the HKICS and the ICSA since December 2012. Ms. Chow has also been a member of the Hong Kong Securities and Investment Institute since November 2012. Ms. Chow obtained her Bachelor of Arts degree in Business Studies from the Hong Kong Polytechnic University in October 1992.

AUDIT COMMITTEE

We have established an audit committee with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system of our Company, oversee the audit process, provide advice and comments to our Board and perform other duties and responsibilities as may be assigned by the Board.

The audit committee consists of three members, namely Mr. Tianye Wang, Professor Steven Schwartz and Professor Weiping Wang. The chairman of the audit committee is Mr. Tianye Wang who is an independent non-executive Director with the appropriate professional qualifications.

REMUNERATION COMMITTEE

We have established a remuneration committee with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to establish, review and make recommendations to our Directors on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

The remuneration committee consists of three members, namely Professor Steven Schwartz, Mr. Tianye Wang and Mr. Amen Lee. The chairman of the remuneration committee is Professor Steven Schwartz.

NOMINATION COMMITTEE

We have established a nomination committee with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the nomination committee are to review the structure, size and composition of our Board, assess the independence of the independent non-executive Directors and make recommendations to our Board on the appointment and re-appointment of Directors and succession planning for Directors.

The nomination committee consists of three members, namely Professor Brian James Stoddart, Professor Weiping Wang and Dr. Zhu. The chairman of the nomination committee is Professor Brian James Stoddart.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and members of our senior management receive compensation from our Company in the form of salaries, bonuses and other benefits in kind such as contributions to pension plans.

For each of the financial years ended 30 June 2015, 2016 and 2017, the aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, discretionary bonuses, housing and other allowances and other benefits in kind) paid to our then Directors (of which, only Dr. Zhu, Mr. Amen Lee and Mr. Jing Li received such remuneration) was approximately AUD$279,000, AUD$1,613,000 and AUD$455,000, respectively. Save as disclosed above, no other emoluments have been paid or are payable, in respect of each of the financial years ended 30 June 2015, 2016 and 2017 by our Company.

The aggregate amount of remuneration (including fees, salaries, contributions to superannuation funds, discretionary bonuses, and other allowances and other benefits in kind) paid to our Company's five highest paid individuals for the three years ended 30 June 2017 were approximately AUD$947,000, AUD$2,565,000 and AUD$1,472,000, respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors or the five highest paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

None of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the [REDACTED], receive recommendation from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Company.

Save as disclosed in this document, no other payments had been made, or are payable, by any member of our Company to our Directors or the five highest paid individuals during the Track Record Period.

For additional information on our Directors' remuneration during the Track Record Period as well as information on the five highest paid individuals, please refer to Notes 11 and 12 to the Accountants' Report set out in Appendix I to this document.

WAIVER GRANTED BY THE STOCK EXCHANGE

Management Presence

We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant to us, a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules in relation to the requirement of management presence in Hong Kong. For details of the waiver, please see the section headed "Waivers from Strict Compliance with the Listing Rules — Management Presence in Hong Kong."

COMPLIANCE ADVISER

Our Company has appointed China Galaxy International Securities (Hong Kong) Co., Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules.

The material terms of the compliance adviser's agreement entered into between our Company and our compliance adviser are as follows:

(1) our compliance adviser shall provide our Company with services including guidance and advice as to compliance with the requirements of the Listing Rules and other applicable laws, rules, codes and guidelines, and accompany our Company to any meetings with the Stock Exchange;

(2) our Company may terminate the appointment of our compliance adviser by giving 30 days' prior written notice to the compliance adviser. Our Company will exercise such right in compliance with Rule 3A.26 of the Listing Rules. The compliance adviser will have the right to terminate its appointment as compliance adviser under certain specific circumstances and upon notification of the reason of its resignation to the Stock Exchange; and

(3) during the period of appointment, our Company must consult with, and if necessary, seek advice from our compliance adviser on a timely basis in the following circumstances:

   (a) before the publication of any regulatory announcement, circular or financial report;

   (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

   (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results materially deviate from any forecast, estimate, or other information in this document; and

   (d) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the [REDACTED] and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the [REDACTED].

CORPORATE GOVERNANCE

Pursuant to code provision A.2.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of Chairman and Chief Executive Officer of our Company are both performed by Mr. Zhu. Our Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same individual would enable our Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Mr. Zhu's extensive industrial experience and significant role in the historical development of our Company, the Board believes that it is beneficial to the business prospects of our Company that Mr. Zhu continues to act as both our Chairman and Chief Executive Officer after the [REDACTED], and the balance of power and authority is sufficiently maintained by the operation of our Board, comprising the executive Directors, non-executive Directors, and independent non-executive Directors.

Save as disclosed above, as at the Latest Practicable Date, our Directors consider that our Company has fully complied with the applicable code provisions as set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED], the following persons will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

		Shares held immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan)	
Name of Shareholder	**Nature of interest**	**Number**	**Approximate percentage**
Dr. Zhu	Beneficial owner; interest held jointly with other persons[1]	[REDACTED]	[REDACTED]
Ms. Xing Shi Huang	Interest of a spouse[2]	[REDACTED]	[REDACTED]
Mr. Yang	Beneficial owner[4], interest in controlled corporation[3]; interest held jointly with other persons[1]	[REDACTED]	[REDACTED]
Ms. Chen Shuling	Interest of a spouse[4]	[REDACTED]	[REDACTED]
Billion Glory	Beneficial owner[3], interest held jointly with other persons[1]	[REDACTED]	[REDACTED]
Tristar United	Beneficial owner; interest held jointly with other persons[1]	[REDACTED]	[REDACTED]
Mr. Lee	Beneficial owner; interest held jointly with other persons[1]	[REDACTED]	[REDACTED]
Ms. Josephine Kam Shan Lam	Interest of a spouse[5]	[REDACTED]	[REDACTED]
Mr. Wang	Beneficial owner; interest held jointly with other persons[1]	[REDACTED]	[REDACTED]
Ms. Liu Zhuo	Interest of a spouse[6]	[REDACTED]	[REDACTED]
Xinjiang Guoli	Beneficial owner	[REDACTED]	[REDACTED]
PwC Nominees	Trustee[7]	[REDACTED]	[REDACTED]

		Shares held immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan)	
Name of Shareholder	**Nature of interest**	**Number**	**Approximate percentage**
PwC Australia	Beneficial owner[(7)]	[REDACTED]	[REDACTED]
Loyal Creation	Beneficial owner	[REDACTED]	[REDACTED]
Mr. Wang Weiping	Interest in a controlled corporation[(8)]	[REDACTED]	[REDACTED]

Notes:

(1) Members of the Controlling Shareholders Group are parties acting in concert and on 13 October 2017, they entered into a confirmation deed to, among others, confirm their acting-in-concert agreement. Immediately following completion of the [REDACTED] and assuming that the [REDACTED] is not exercised at all and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan, all the members of the Controlling Shareholders Group will together control approximately [REDACTED] of the total share capital of our Company. Under the SFO, each member of the Controlling Shareholders Group will be deemed to be interested in the Shares beneficially owned by the other members of the Controlling Shareholders Group.

(2) Ms. Xing Shi Huang is the spouse of Dr. Zhu and is deemed to be interested in the shareholding interests of Dr. Zhu by virtue of the disclosure requirements of the SFO.

(3) Mr. Yang directly holds [REDACTED] Shares, representing approximately [REDACTED] of the total share capital of our Company and Billion Glory, which is wholly-owned by Mr. Yang, directly holds [REDACTED] Shares, representing approximately [REDACTED] of the total share capital of our Company. Accordingly, Mr. Yang is deemed to be interested in [REDACTED] Shares held by Billion Glory by virtue of the disclosure requirements of the SFO.

(4) Ms. Chen Shuling is the spouse of Mr. Yang and is deemed to be interested in the shareholding interests of Mr. Yang by virtue of the disclosure requirements of the SFO.

(5) Ms. Josephine Kam Shan Lam is the spouse of Mr. Lee and is deemed to be interested in the shareholding interests of Mr. Lee by virtue of the disclosure requirements of the SFO.

(6) Ms. Liu Zhuo is the spouse of Mr. Wang and is deemed to be interested in the shareholding interests of Mr. Wang by virtue of the disclosure requirements of the SFO.

(7) PwC Nominees is the registered owner of the Shares and holds the Shares as a bare trustee for PwC Australia as the sole beneficiary of a trust under a trust arrangement between PwC Nominees and PwC Australia. Accordingly, PwC Australia is deemed to be interested in [REDACTED] Shares held by PwC Nominees as nominee and bare trustee by virtue of the disclosure requirements of the SFO.

(8) Mr. Wang Weiping holds 40% of the issued share capital of Loyal Creation, which holds [REDACTED] Shares, and accordingly, Mr. Wang Weiping is deemed to be interested in [REDACTED] Shares held by Loyal Creation by virtue of the disclosure requirements of the SFO.

Save as disclosed above and in the section headed "Statutory and General Information — D. Further Information about Our Directors" in Appendix IV to this document, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan, have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Company.

We are not aware of any arrangement which may result in any change of control in our Company at any subsequent date.

SHARE CAPITAL

As at the date of this document, all the issued Shares in our Company comprise fully-paid ordinary shares. Under the Australian Corporations Act, registered companies do not have an authorised capital and there is no concept of "par value" in respect of issued shares.

Shares issued and to be issued, fully paid or credited as fully paid:

Shares in issue as at the date of this document	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]
Total	[REDACTED]

ASSUMPTION

The above table assumes that the [REDACTED] has become unconditional. It takes no account of any Shares (a) which may be issued pursuant to the exercise of the [REDACTED]; (b) may be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan; or (c) which may be allotted and repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below or otherwise.

RANKING

The Shares are ordinary Shares in the share capital of our Company and rank *pari passu* in all respects with all Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid after the date of this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company has only one class of Shares, namely ordinary Shares, each of which ranks *pari passu* with the other Shares.

Pursuant to the Australian Corporations Act and the terms of the Constitution, our Company may from time to time (i) increase its capital; (ii) consolidate its capital into Shares of larger amount; (iii) divide its Shares into classes; (iv) subdivide its Shares into capital of smaller amount; and (v) reduce or redeem its share capital. For more details, please see the section headed "Summary of the Constitution and the Australian Corporations Act — 8. Alteration of capital" in Appendix III to this document.

Pursuant to the Australian Corporations Act and the terms of the Constitution, all or any of the special rights attached to the Share or any class of Shares may be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that class. For more details, please see the section headed "Summary of the Constitution and the Australian Corporations Act — 16. Variation of rights" in Appendix III to this document.

GENERAL MANDATE TO ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares, securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares or such convertible securities and to make or grant offers, agreements or options which might require such Shares, securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares or such convertible securities to be allotted and issued or dealt with at any time subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, shall not exceed the sum of:

(i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan); and

(ii) the nominal amount of the share capital repurchased by our Company (if any) pursuant to the repurchase mandate (as mentioned below).

This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or scrip dividend scheme or similar arrangements or a specific authority granted by our Shareholders.

This mandate to issue Shares will remain in effect until:

(i) the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Constitution; or

(iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest.

For further details of this general mandate, please see the section headed "Statutory and General Information — A. Further Information About Our Company — 3. Resolutions in writing of our Shareholders passed on [●] 2017" in Appendix IV to this document.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of our share capital in issue immediately following completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan).

This mandate relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares may be [REDACTED] (and which is recognised by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and regulations and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in the section headed "Statutory and General Information — A. Further Information About Our Company — 4. Repurchase of our Shares" in Appendix IV to this document.

This general mandate to repurchase Shares will remain in effect until:

(i) at the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Constitution; or

(iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest.

For further details of this general mandate, please see the section headed "Statutory and General Information — A. Further Information about Our Company — 3. Resolutions in Writing of our Shareholders passed on [●] 2017" in Appendix IV to this document.

The following discussion and analysis of our financial condition and results of operations are based on and should be read in conjunction with the financial statements of our Company as at and for the years ended 30 June 2015, 2016 and 2017, including the notes thereto, as set out in the Accountants' Report in Appendix I to this document. Our financial information has been prepared in accordance with IFRSs.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed elsewhere in this document, particularly in the sections headed "Risk Factors" and "Forward-Looking Statements".

OVERVIEW

We are a private higher education provider in Australia. We currently have two academic divisions, TOP Business and TOP Law, offering a total of 20 accredited undergraduate and postgraduate courses in business and law, as at 30 June 2017. In 2016, PwC Nominees became a substantial shareholder in TOP and PwC Australia entered into an Alliance Agreement with us. In addition to higher education award courses, we also offer non-award programs and corporate training programs. With respect to student enrolment, we recorded a total of 861, 949 and 1,036 EFTSL for the years ended 30 June 2015, 2016 and 2017, respectively, which comprised mostly international students, particularly from China.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are affected by numerous factors. Some of the key factors are set out below:

Demand for Higher Education in Australia from Chinese International Students

During the Track Record Period, we derived the vast majority of our revenue from tuition for our higher education award courses and over 88% of our students were international students from China. As such, our financial condition and results of operations are significantly affected by the demand for higher education courses in Australia from Chinese international students.

Key factors that drive demand for higher education in Australia from Chinese international students include the macroeconomic conditions in China and student interest in studying in Australia. According to Ipsos, Australia was the second most popular destination for Chinese students studying overseas after the United States, with over 150,000 Chinese students studying in Australia in 2016. The number of Chinese students studying overseas in Australia is expected to grow at a CAGR of 4.1% between 2017 and 2021, according to Ipsos. As China's economy continues to grow, more students are likely to be able to afford overseas education. Australia is a popular choice for tertiary education as its education and professional degrees and accreditations are generally recognised around the world and it is closer in proximity to China compared with other popular destinations such as the United States, the United Kingdom and Canada. In recent years, changes to Australian immigration laws have helped encourage students to travel to Australia for study. In 2016, the SSVF set out a regime which allows certain categories of students to apply for visas through a streamlined process. Currently, the Department of Immigration in Australia categorises students from China in the "low risk" category, allowing them to use a simplified visa application process which does not require further evidence of financial capacity or English language ability. Australia also has a system of laws in place to oversee and protect the rights of students from overseas, particularly under the ESOS Act, which is the primary legislation regarding provision of education to international students. Changes in general economic and political conditions and living standards in Australia, or in other competitor destination countries such as the United States, United Kingdom and Canada, are also factors that can impact the number of Chinese international students interested in studying in Australia.

Student Enrolment

Our revenue is primarily driven by tuition and other fees from students enrolled for our higher education award courses. As such, our ability to attract new students and retain students will affect our financial conditions and results of operations.

Student enrolment is generally dependent on a number of factors, including the reputation of our Institute, the courses that we offer, the capacity of our Institute and our tuition and fees. We believe that our dedication and focus on providing quality higher education courses and excellent student experience has helped distinguish us from competing institutions. We are the only for-profit non-university higher education provider listed on the JSJ List of 42 recognised Australian universities and higher education providers, which helps increase awareness and interest in our Institute in China. During the Track Record Period, our student enrolment increased from 861 EFTSL for the year ended 30 June 2015 to 1,036 EFTSL for the year ended 30 June 2017.

Student enrolment is also influenced by the type of courses that we offer. We have historically focused on providing higher education award courses for business studies, in particular in accounting, as these courses are popular among students seeking to qualify for internationally-recognised professional accreditations which are beneficial for graduate employment and immigration purposes. In 2016, we expanded our Institute to include TOP Law which has attracted interest from a new demographic of students, particularly domestic students. We intend to continue to expand our course offerings to meet student interest and market demand. Student interest is also influenced by the reputation of our Institute and our courses. We compete with various universities and non-university higher education providers in Australia that offer courses in the same fields. In order to distinguish ourselves from our competitors, we rely on establishing a reputation of quality education provision and good student experience.

The student enrolment capacity of our Institute is another factor which can affect student enrolment. Regulatory requirements limit our student enrolment capacity for international students and we currently have an approved capacity number of 920 for international students with the ability to enrol up to 10% more. In order to allow for further growth of student enrolment, we will need to obtain further regulatory approvals and may need to further expand our facilities.

Tuition

Our revenue is significantly affected by the tuition rates we charge. Tuition is generally paid prior to the census date of each term. Tuition rates are set by us primarily based on demand for our courses, the cost of our services and the tuition rates of our competitors. Additionally, with respect to domestic students, government regulations and policies limit the amount of tuition we can charge for higher education courses. As a result, our tuition rates for domestic students are lower than those for international students. For the 2018 academic year, for domestic students, tuition rates range from AUD$12,000 to AUD$17,000 per year for undergraduate courses and AUD$17,000 to AUD$20,000 per year for postgraduate courses. For international students, tuition rates are AUD$20,000 per year for undergraduate courses and range from AUD$23,000 to AUD$36,000 per year for postgraduate courses.

During the Track Record Period, we raised our tuition rates for international students once in September 2016 which started to become effective in November 2016 and the increased tuition rates only applied to new international students that enrolled after the tuition rate increase was introduced. The increase in tuition rates was to reflect changes in the higher education market and our alliance with PwC Australia. According to Ipsos, our average tuition rates were priced at the premium side compared to similarly situated private higher education providers. We believe that our Institute's quality and reputation, combined with our alliance with PwC Australia, supports our tuition fee rates. As we continue to expand our Institute and build upon our alliance with PwC Australia, we intend to explore further opportunities to increase our tuition rates in the future. Increases in tuition may discourage some students from enrolling in our Institute. However, if we are able to increase our tuition rates while maintaining or continuing to increase our student enrolment, we will be able to improve our financial condition and results of operation.

Government Regulations and Policies

Our business is impacted by government regulations and policies in a number of ways. The Australian government has adopted certain laws, regulations and policies regarding higher education, such as capping the amount of tuition charged to domestic students for higher education. Furthermore, the higher education sector in Australia is closely regulated by TEQSA and our Institute and courses are subject to TEQSA regulations and requirements in order to obtain or renew the relevant accreditations. As a higher education provider with a substantial number of international students, we are also required to maintain registration on CRICOS and we are subject to the ESOS Act which oversees education provision to international students. Maintaining compliance with government regulations and policies requires us to invest time and resources, particularly by senior management, which may affect our operations and profitability. Moreover, these regulations may directly impact our operations by placing conditions on our registrations or accreditation of our courses and Institute or limiting our student enrolment capacity. Laws and regulations may be enacted or interpreted in ways that we do not predict, which may impact our operations, financial condition and results of operations.

Changes in government regulations and policies may also broadly impact the higher education industry. For example, increased standards for accreditation or registration of higher education providers would pose barriers to entry to the industry, thus decreasing our competition. Additionally, in recent years, government financial support for public universities has decreased leading to increased tuition rates at public universities and across the higher education market, which makes our courses more attractive and provides us room to increase our tuition rates accordingly.

Furthermore, because the majority of our students are international students, changes to Australian immigration laws and policies also impact our business. In 2016, Australia introduced the SSVF system which allowed students from China to enter the country for education through a streamlined visa application process, and has contributed to an increase in the number of Chinese international students studying in Australia. Additionally, applicants for Australian permanent residency have an advantage if they have obtained certain professional and education qualifications, such as accounting. Some of our courses and unit offerings help students obtain such qualifications and thus attract students interested in pursuing Australian permanent residency. Changes to Australian immigration policies regarding such qualifications may also impact demand for our courses.

Our Ability to Control Costs and Expenses

Our profitability depends in part on our ability to control our operating costs and expenses. During the Track Record Period, our total cost of sales, administrative expenses, advertising and marketing expenses and other operating expenses amounted to AUD$10.2 million, AUD$12.9 million and AUD$14.7 million for the years ended 30 June 2015, 2016 and 2017, respectively. These mainly comprised employee benefits expense and agent commissions.

Total employee benefits expenses amounted to AUD$3.5 million, AUD$6.1 million and AUD$5.7 million for the years ended 30 June 2015, 2016 and 2017, respectively. These expenses primarily related to salaries and benefits of our employees, the majority of whom are academic staff members. The overall increase in employee benefits expenses between the year ended 30 June 2015 and the year ended 30 June 2017 primarily reflected the expansion of our staff to support our new TOP Law and new course offerings while maintaining a low staff-to-student ratio during the Track Record Period, as well as our efforts to retain qualified academic staff by increasing compensation to continuously improve the quality of education we provide. To the extent that our employee benefits expenses continue to increase, our profitability may be affected.

Agent commissions amounted to AUD$3.6 million, AUD$3.4 million and AUD$4.0 million for the years ended 30 June 2015, 2016 and 2017, respectively. These related to commissions we pay to agents who provided services to assist mainly international students in applying for admission to our Institute. These agents charge us commissions as a percentage of the relevant student's tuition for each term. As is standard in the higher education market, agents commission rates vary depending upon the course, year and type of student. Commission rates are typically higher for undergraduate courses than they are for postgraduate courses. A higher commission rate is typically charged for the first year and lower rates for subsequent years of the course. The commission rates are primarily determined by market conditions, the performance of the agent and our history and relationship with the agent. Changes in the commission rates will cause the amount of our commission expenses to increase or decrease accordingly and therefore affect our results of operation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our financial statements. Some of these accounting policies involve subjective assumptions and estimates, as well as complex judgements, relating to accounting item based on information and financial data that may change in future periods. We set out below those accounting policies that we believe are of critical importance to us or involve the most significant estimates used in the preparation of our financial statements. Our significant accounting policies, judgements and estimates, which are important for an understanding of our financial condition and results of operations, are set out in further detail in Notes 2 and 3 to the Accountants' Report set out in Appendix I to this document.

Revenue Recognition

We recognise revenue from tuition and non-tuition fees when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to us. Revenue is recognised after the price is fixed or determinable, and services are provided. We generally receive tuition from student in advance at the beginning of each term and such tuition is initially recorded as deferred income and reflected as a current liability as such amounts represent revenue that we expect to earn within one year. Tuition is recognised proportionately over the relevant period of the applicable course.

Property, Plant and Equipment

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purposes are:

- teachers reference books: 14.3%–33.3%
- plant and equipment: 20%–25%
- classroom and office equipment: 25%

In determining the useful life and residual value of an item of property, plant and equipment, we have to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on our experience with similar assets that are used in a similar way. The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at each financial year end based on changes in circumstances.

Intangible Assets

Intangible assets are measured by the amount of capitalised development expenditures less accumulated amortisation and any impairment losses. Expenditures incurred on projects to develop new courses are capitalised and deferred only when we can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, our intention to complete and ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditures during the development. Amortisation is calculated on a straight-line basis over the commercial life of the underlying higher education course not exceeding seven years and commencing from the date when the course was implemented.

Taxation

Income tax comprises current and deferred tax. Significant judgment is required in interpreting the relevant tax rules and regulation so as to determine whether we are subject to corporate income tax. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes us to change our judgement regarding the adequacy of the tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such determination is made.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30 June					
	2015		2016		2017	
	AUD$'000	% of total revenue	AUD$'000	% of total revenue	AUD$'000	% of total revenue
Revenue	17,114	100.0	17,408	100.0	21,138	100.0
Cost of sales	(7,712)	(45.1)	(8,055)	(46.3)	(9,977)	(47.2)
Gross profit	9,402	54.9	9,353	53.7	11,161	52.8
Other income	426	2.5	417	2.4	315	1.5
Administrative expenses	(1,762)	(10.3)	(3,591)	(20.6)	(3,448)	(16.3)
Advertising and marketing expenses	(635)	(3.7)	(1,161)	(6.7)	(1,199)	(5.7)
Other operating expenses	(98)	(0.6)	(61)	(0.4)	(60)	(0.3)
Profit before income tax	7,333	42.8	4,957	28.5	6,769	32.0
Income tax expenses	(2,572)	(15.0)	(1,515)	(8.7)	(2,167)	(10.3)
Profit for the year	4,761	27.8	3,442	19.8	4,602	21.8

Revenue

Revenue is primarily derived from (i) tuition for award courses and non-award programs and (ii) non-tuition fees. Tuition consists of amounts received or receivable for undergraduate and postgraduate award courses and for non-award programs such as intensive accounting units designed for non-award students and SCDP. Non-tuition fees consist of amounts received or receivable for corporate training programs and miscellaneous student fees such as enrolment fees.

The following table sets out our revenue by category for the years indicated:

	Year ended 30 June					
	2015		2016		2017	
	AUD$'000	% of total revenue	AUD$'000	% of total revenue	AUD$'000	% of total revenue
Tuition						
Bachelor of International Business[1]	3,832	22.4	4,828	27.7	6,235	29.5
Bachelor of Applied Finance and Accounting[2]	—	—	173	1.0	973	4.6
Bachelor of Laws	—	—	206	1.2	687	3.3
Total undergraduate	3,832	22.4	5,207	29.9	7,895	37.4
Master of Professional Accounting and Business[3]	9,922	58.0	10,050	57.7	8,733	41.3
Others[4]	379	2.2	1,038	6.0	2,033	9.6
Total postgraduate	10,301	60.2	11,088	63.7	10,766	50.9
Non-award programs	2,818	16.4	917	5.3	2,112	10.0
Total tuition	16,951	99.0	17,212	98.9	20,773	98.3
Non-tuition fees	163	1.0	196	1.1	365	1.7
Total revenue	17,114	100.0	17,408	100.0	21,138	100.0

Notes:

(1) This includes tuition for courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.

(2) This includes tuition for courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Finance and Accounting.

(3) This includes tuition for courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting. This also includes a small amount from students who enrol in certain accounting units to fulfil academic requirements for membership with CPA Australia.

(4) This includes tuition for all other postgraduate courses that are not part of the Master of Professional Accounting and Business track.

Tuition

Tuition from our undergraduate and postgraduate award courses accounted for 82.6%, 93.6% and 88.3% of our revenue for the years ended 30 June 2015, 2016 and 2017, respectively. The amount of tuition charged for each course differs. Please see the section headed "Business — Tuition and Fees" for more information. The amount of revenue we receive from tuition depends upon the number of students and the number of units they enrol in.

We generally measure our student number with reference to EFTSL, which is calculated by dividing the total number of units taken by our students in a given year by 8 (which is the average number of units a single full-time student should take at our Institute in a year). The following table sets out the EFTSL for our undergraduate and postgraduate courses during for the years indicated:

	Year ended 30 June					
	2015		2016		2017	
	EFTSL	% of total	EFTSL	% of total	EFTSL	% of total
Undergraduate						
Bachelor of International Business[1]	236.3	27.5	304.5	32.1	368.1	35.6
Bachelor of Applied Finance and Accounting[2]	—	—	9.9	1.1	53.1	5.1
Bachelor of Laws	—	—	16.4	1.7	51.0	4.9
Total undergraduate	236.3	27.5	330.8	34.9	472.2	45.6
Postgraduate						
Master of Professional Accounting and Business[3]	599.3	69.6	560.6	59.1	459.5	44.4
Others	25.1	2.9	57.1	6.0	103.8	10.0
Total postgraduate	624.4	72.5	617.7	65.1	563.3	54.4
Total EFTSL	860.7	100.0	948.5	100.0	1,035.5	100.0

Notes:

(1) This includes courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.

(2) This includes courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Finance and Accounting.

(3) This includes courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting. This also includes students who enrol in certain accounting units to fulfil academic requirements for membership with CPA Australia.

The following table sets out the breakdown of average tuition per EFTSL for the years indicated:

	Year ended 30 June		
	2015	2016	2017
	AUD$	AUD$	AUD$
Undergraduate			
Bachelor of International Business[(1)]	16,217	15,856	16,936
Bachelor of Applied Finance and Accounting[(2)]	—	17,475	18,324
Bachelor of Laws	—	12,561	13,471
Average undergraduate	16,217	15,741	16,720
Postgraduate			
Master of Professional Accounting and Business[(3)]	16,556	17,927	19,005
Others	15,100	18,179	19,586
Average postgraduate	16,497	17,950	19,112
Average overall	16,420	17,180	18,021

Notes:

(1) This includes tuition for courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.

(2) This includes tuition for courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Financed and Accounting.

(3) This includes tuition for courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting. This also a small amount from students who enrol in certain accounting units to fulfil academic requirements for membership with CPA Australia.

Our tuition rates for postgraduate courses are generally higher than those for undergraduate courses, which is in line with the higher education market in Australia. Additionally, tuition rates for international students are higher than domestic students' tuition rates for the same course. As such, courses that have a greater percentage of international students will have higher average tuition rates. The following table sets out shows the percentage of international EFTSL and domestic EFTSL in our undergraduate and postgraduate courses for the years indicated:

	Year ended 30 June					
	2015		2016		2017	
	International EFTSL	Domestic EFTSL	International EFTSL	Domestic EFTSL	International EFTSL	Domestic EFTSL
	%	%	%	%	%	%
Undergraduate						
Bachelor of International Business[(1)]	94.7	5.3	95.1	4.9	95.7	4.3
Bachelor of Applied Finance and Accounting[(2)]	—	—	94.9	5.1	99.1	0.9
Bachelor of Laws	—	—	5.3	94.7	10.0	90.0
Total undergraduate	94.7	5.3	90.6	9.4	86.8	13.2
Postgraduate						
Master of Professional Accounting and Business[(3)]	99.8	0.2	99.8	0.2	99.9	0.1
Others	97.5	2.5	97.6	2.4	98.8	1.1
Total postgraduate	99.7	0.3	99.6	0.4	99.7	0.3
Total	98.3	1.7	96.5	3.5	93.8	6.2

Notes:

(1) This includes courses that are part of the same track, namely Associate Degree of Business and Diploma of Business.

(2) This includes courses that are part of the same track, namely Associate Degree of Applied Finance and Accounting and Diploma of Applied Finance and Accounting.

(3) This includes courses that are part of the same track, namely Master of Professional Accounting, Graduate Diploma of Accounting and Graduate Certificate in Accounting. This also includes students who enrol in certain accounting units to fulfil academic requirements for membership with CPA Australia.

Cost of Sales

Costs of sales primarily consists of agent commissions, employee benefit expenses, depreciation and amortisation, rental expenses, office expenses, consultation and service fees and student costs. The following table sets out a breakdown of our costs of sales by nature for the years provided:

	Year ended 30 June					
	2015		2016		2017	
	AUD$'000	% of total	AUD$'000	%	AUD$'000	%
Agent commissions	3,591	46.6	3,442	42.7	4,005	40.1
Employee benefit expenses	2,224	28.8	2,889	35.9	3,690	37.0
Depreciation and amortisation	528	6.9	586	7.3	809	8.1
Rental expenses	516	6.7	542	6.7	636	6.4
Office expenses	229	3.0	333	4.2	353	3.5
Consultation and service fees	142	1.8	108	1.3	298	3.0
Student costs	482	6.2	155	1.9	186	1.9
Total	7,712	100.0	8,055	100.0	9,977	100.0

Agent commissions are fees we pay to agents who provide services to assist mainly international students in applying for admission to our Institute. Commissions are charged as a percentage of the relevant student's tuition for each term. The percentage may vary depending upon a number of factor including the course, year, type of student and our relationship with the agent. Employee benefit expenses consist of salaries and employment benefits for our academic staff. Depreciation and amortisation relate to our office and classroom equipment and furniture, textbooks, and course materials, including time invested in developing such course materials. Rented expenses consist primarily of rent for our classrooms. Office expenses relate to subscription and membership fees, utilities and other expenses related to our classrooms. Consultation and service fees primarily relate to fees for professional services such as accounting and legal fees relating to our provision of services. Student costs consist of scholarship awards, student direct costs (such as reimbursement of membership fees for access to University of Sydney libraries or expenses for student social events), online course expenses and other expenses relating to student programs.

Other Income

Other income consists of interest income and other miscellaneous income. For the years ended 30 June 2015, 2016 and 2017, we recorded other income of AUD$0.4 million, AUD$0.4 million and AUD$0.3 million, respectively.

Administrative Expenses

Administrative expenses consist of employee benefit expenses, [REDACTED], rental expenses, office expenses, share-based payment and other miscellaneous expenses. The following table sets out the breakdown of our administrative expenses by nature for the year provided:

	Year ended 30 June					
	2015		2016		2017	
	AUD$'000	% of total	AUD$'000	%	AUD$'000	%
Employee benefit expenses	1,072	60.8	2,840	79.1	1,551	45.0
[REDACTED]	—	—	—	—	948	27.5
Rental expenses	272	15.4	285	7.9	368	10.7
Office expenses	179	10.2	196	5.5	276	8.0
Others	239	13.6	270	7.5	305	8.8
Total	1,762	100.0	3,591	100.0	3,448	100.0

Employee benefit expenses relate to salaries and employment benefits for our administrative staff, including (i) performance bonuses to Dr. Zhu amounting to 10% of any dividends declared prior to the [REDACTED] and (ii) share-based payments consisting of the value of performance rights granted to Dr. Zhu under the [REDACTED] Performance Rights Plan as further described in the section headed "Statutory and General Information — E. [REDACTED] Performance Rights Plan" in Appendix IV to this document. [REDACTED] relate to professional fees and other expenses incurred for the [REDACTED]. Rental expenses consist of our rent for administrative offices. Office expenses comprise utilities and other daily office operation expenses. Other expenses consist of [REDACTED] related legal service fees, auditors' remuneration and others.

Advertising and Marketing Expenses

Advertising and marketing expenses consist of employee benefit expenses, advertising and business promotion expenses, travelling expenses. The following table sets out the breakdown of our advertising and marketing expenses by nature for the years provided:

	Year ended 30 June					
	2015		2016		2017	
	AUD$'000	% of total	AUD$'000	%	AUD$'000	%
Employee benefit expenses	209	32.9	372	32.0	434	36.2
Advertising and business promotion expenses	228	35.9	644	55.5	562	46.9
Travelling expenses	198	31.2	145	12.5	203	16.9
Total	635	100.0	1,161	100.0	1,199	100.0

Employee benefit expenses consist of salaries and employment benefits for our marketing staff. Advertising and business promotion expenses relate to costs incurred for placing advertisements on radio and in train stations and buses, as well as costs incurred for promotional events. Travelling expenses consist of travel expenses for marketing purposes.

Other Operating Expenses

Other operating expenses consist of miscellaneous expenses such as donations. For the years ended 30 June 2015, 2016 and 2017, we recorded other operating expenses of approximately AUD$98,000, AUD$61,000 and AUD$60,000, respectively.

Income Tax Expenses

No provision for Hong Kong profit tax has been made as the Company had no assessable profits derived from or earned in Hong Kong. We are subject to Australian income tax. Our income tax expense consists of current and deferred income tax charge.

Under Australian tax law, a 30% tax rate was applicable to our assessable profits during the Track Record Period. For the years ended 30 June 2015, 2016 and 2017, we recorded effective tax rates of 35.1%, 30.6% and 32.0%, respectively. The following sets out the breakdown of our income tax for the years indicated:

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Current income tax:			
Current tax on profits for the year	2,247	1,555	2,273
Underprovision/(overprovision) for current tax of prior periods	278	(32)	—
	2,525	1,523	2,273
Deferred income tax	47	(8)	(106)
Income tax expenses	2,572	1,515	2,167

Profit for the Year and Adjusted Net Profit

We recorded profit for the year of AUD$4.8 million, AUD$3.4 million and AUD$4.6 million for the years ended 30 June 2015, 2016 and 2017. Additionally, we also monitor adjusted net profit, which is not a standard measure under IFRSs, to provide additional information about our operating performance. Adjusted net profit represents our profit for the year excluding the after-tax effect of [REDACTED]. We believe that adjusted net profit is a meaningful financial indicator of our normalised operating performance. The following table reconciles our profit for the year to adjusted net profit for the years indicated:

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Profit for the year	4,761	3,442	4,602
[REDACTED]	—	—	948
Tax impact on [REDACTED]	—	—	(284)
Adjusted net profit	4,761	3,442	5,266

YEAR TO YEAR COMPARISON

Year Ended 30 June 2017 Compared to Year Ended 30 June 2016

Revenue

Revenue increased by AUD$3.7 million, or 21.4%, from AUD$17.4 million for the year ended 30 June 2016 to AUD$21.1 million for the year ended 30 June 2017. This increase was primarily attributable to a 14.5% increase in tuition revenue from our undergraduate and postgraduate award courses from AUD$16.3 million for the year ended 30 June 2016 to AUD$18.7 million for the year ended 30 June 2017, resulting from (i) an increase in tuition rates for international students that started to become effective in November 2016 and (ii) increased enrolment as our EFTSL increased by 9.2% from 949 for the year ended 30 June 2016 to 1,036 for the year ended 30 June 2017.

We increased our tuition rates which started to become effective in November 2016 for international students to account for changes in the higher education market and to reflect our recent alliance with PwC Australia. As a result, our average tuition per EFTSL increased by 4.9% from AUD$17,180 for the year ended 30 June 2016 to AUD$18,021 for the year ended 30 June 2017. Our increase in enrolment was primarily driven by an increase in undergraduate EFTSL primarily due to (i) a 20.9% increase in EFTSL for our Bachelor of International Business course following our alliance with PwC Australia and (ii) significant increases in EFTSL for our Bachelor of Applied Finance and Accounting course and Bachelor of Laws course as a new cohort entered since the courses began in the year ended 30 June 2016.

Our revenue from non-award programs also increased significantly from AUD$0.9 million for the year ended 30 June 2016 to AUD$2.1 million for the year ended 30 June 2017, primarily resulting from the launch of our corporate training programs in the year ended 30 June 2017.

Cost of Sales

Cost of sales increased by 23.9% from AUD$8.1 million for the year ended 30 June 2016 to AUD$10.0 million for the year ended 30 June 2017. This increase in cost of sales was mainly attributable to (i) an increase of AUD$0.8 million in employee benefit expenses related to cost of sales as we hired more academic staff to further support our new courses, (ii) an increase of AUD$0.6 million in agent commissions due to our increase in EFTSL in the year ended 30 June 2017 with new cohorts of the Bachelor of Laws and Bachelor of Applied Finance and Accounting courses and the increase in EFTSL for Bachelor International Business course and (iii) an increase of AUD$0.2 million in depreciation and amortisation expenses as we purchased more office and classroom equipment and teacher reference books.

Gross Profit

Gross profit increased by 19.3% from AUD$9.4 million for the year ended 30 June 2016 to AUD$11.2 million for the year ended 30 June 2017, primarily attributable to increase in tuition revenue from our undergraduate and postgraduate award courses. Gross profit margin decreased from 53.7% for the year ended 30 June 2016 to 52.8% for the year ended 30 June 2017 primarily due to a greater percentage increase in cost of sales compared to revenue as we hired more academic staff.

Other Income

Other income decreased by 24.5% from AUD$0.4 million for the year ended 30 June 2016 to AUD$0.3 million for the year ended 30 June 2017. This decrease was primarily due to a decrease in interest resulting from a decline in interest rates and a decrease in cash on hand after payment of dividends declared in the year end 30 June 2016.

Administrative Expenses

Administrative expenses decreased by 4.0% from AUD$3.6 million for the year ended 30 June 2016 to AUD$3.4 million for the year ended 30 June 2017. This decrease was mainly attributable to a decrease of AUD$1.3 million in employee benefit expenses for our administrative staff, which was primarily due to a performance bonus awarded to Dr. Zhu relating to dividends declared in the year ended 30 June 2016, while no such bonus was given in the year ended 30 June 2017 because no dividends were declared during that year. The decrease was partially offset by the [REDACTED] of AUD$0.9 million incurred for the year ended 30 June 2017.

Advertising and Marketing Expenses

Advertising and marketing expenses remained stable at AUD$1.2 million for the year ended 30 June 2016 and for the year ended 30 June 2017. Our travelling expenses and employee benefit expenses for our marketing staff increased for the year ended 30 June 2017 as we hired more marketing staff. The increase was partially offset by a decrease in advertising and business promotion expenses as we scaled back from the promotional efforts made to launch TOP Law in the year ended 30 June 2016.

Income Tax Expenses

Income tax expenses increased by 43.0%, from AUD$1.5 million for the year ended 30 June 2016 to AUD$2.2 million for the year ended 30 June 2017 primarily due to an increase in profit before income tax. Our effective tax rate increased from 30.6% for the year ended 30 June 2016 to 32.0% for the year ended 30 June 2017 which was primarily due to an increase in expenses not deductible for tax relating to course development.

Profit for the Year

For the foregoing reasons, our profit for the year increased by 33.7% from AUD$3.4 million for the year ended 30 June 2016 to AUD$4.6 million for the year ended 30 June 2017. Our net profit margin increased from 19.8% for the year ended 30 June 2016 to 21.8% for the year ended 30 June 2017.

Year Ended 30 June 2016 Compared to Year Ended 30 June 2015

Revenue

Revenue increased by AUD$0.3 million, or 1.7%, from AUD$17.1 million for the year ended 30 June 2015 to AUD$17.4 million for the year ended 30 June 2016. This increase was primarily attributable to a 15.3% increase in tuition revenue from our undergraduate and postgraduate award courses from AUD$14.1 million for the year ended 30 June 2015 to AUD$16.3 million for the year ended 30 June 2016, resulting from increased enrolment as our EFTSL increased by 10.2% from 861 for the year ended 30 June 2015 to 949 for the year ended 30 June 2016. We had greater student enrolment primarily due to (i) an increase in approved capacity number for international students, which allowed us to enrol more students and (ii) the launch of our Bachelor of Laws and Bachelor of Applied Finance and Accounting courses. Additionally, our average tuition per EFTSL increased 4.6% from AUD$16,420 for the year ended 30 June 2015 to AUD$17,180 for the year ended 30 June 2016 primarily because of an increase in average tuition per EFTSL for postgraduate courses due to promotional discounts on tuition which ended after the second term of the 2015 academic year. This was partially offset by a decrease in average tuition per EFTSL for undergraduate courses, primarily resulting from a one-time special waiver of tuition relating to a small amount of EFTSL during the year ended 30 June 2016.

The increase in revenue from our undergraduate and postgraduate award courses was partially offset by a 67.5% decrease in tuition from non-award programs from AUD$2.8 million for the year ended 30 June 2015 to AUD$0.9 million for the year ended 30 June 2016. This decrease was attributable to our discontinuation of a student internship program because our contract with the program's counterparties ended in 2015.

Cost of Sales

Cost of sales increased by 4.4% from AUD$7.7 million for the year ended 30 June 2015 to AUD$8.1 million for the year ended 30 June 2016. This increase in cost of sales was mainly attributable to an increase of AUD$0.7 million in employee benefit expenses related to cost of sales as we hired more academic staff to support our new Bachelor of Laws and Bachelor of Applied Finance and Accounting courses. This was partially offset by a decrease of AUD$0.3 million in student costs as we discontinued a student internship program in the year ended 30 June 2015 and no longer incurred fees relating to that program.

Gross Profit

Gross profit remained stable at AUD$9.4 million for the year ended 30 June 2015 and for the year ended 30 June 2016. Gross profit margin decreased slightly from 54.9% for the year ended 30 June 2015 to 53.7% for the year ended 30 June 2016, primarily due to a greater percentage increase in cost of sales compared to revenue, as we incurred more staff costs to support the launch of our new Bachelor of Laws and Bachelor of Applied Finance and Accounting courses.

Other Income

Other income remained stable at AUD$0.4 million for the year ended 30 June 2015 and for the year ended 30 June 2016.

Administrative Expenses

Administrative expenses increased by 103.8% from AUD$1.8 million for the year ended 30 June 2015 to AUD$3.6 million for the year ended 30 June 2016. This increase was mainly attributable to an increase of AUD$1.8 million in employee benefit expenses for our administrative staff, which was primarily due to (i) a performance bonus awarded to Dr. Zhu equal to 10% of dividends declared during the year ended 30 June 2016 and (ii) an increase in the number of administrative staff.

Advertising and Marketing Expenses

Advertising and marketing expenses increased by 82.8% from AUD$0.6 million for the year ended 30 June 2015 to AUD$1.2 million the year ended 30 June 2016. This increase in advertising and marketing expenses was primarily due to an increase of AUD$0.4 million in advertising and business promotion expenses for advertising the launch of TOP Law and our Bachelor of Laws courses and an increase of AUD$0.2 million in employee benefit expenses for our marketing staff.

Income Tax Expenses

Income tax expenses decreased by 41.1% from AUD$2.6 million for the year ended 30 June 2015 to AUD$1.5 million for the year ended 30 June 2016 primarily due to a decrease in profit before income tax. Our effective tax rate decreased from 35.1% for the year ended 30 June 2015 to 30.6% for the year ended 30 June 2016 primarily due to adjustments for current tax of prior periods resulting from differences between tax paid during the year and the final tax calculation.

Profit for the Year

For the foregoing reasons, our profit for the year decreased by 27.7% from AUD$4.8 million for the year ended 30 June 2015 to AUD$3.4 million for the year ended 30 June 2016. Our net profit margin decreased from 27.8% for the year ended 30 June 2015 to 19.8% for the year ended 30 June 2016 primarily as a result of increased cost of sales and higher administrative expenses for the year ended 30 June 2016.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our working capital needs and capital expenditures principally through net cash inflows from operating activities.

Cash Flows

The following table sets out a summary of our statements of cash flows for the years indicated:

	Year ended 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Net cash generated from operating activities	3,912	5,588	6,321
Net cash used in investing activities	(980)	(1,866)	(1,682)
Net cash used in financing activities	—	(2,664)	(6,495)
Net increase in cash and cash equivalents	2,932	1,058	(1,856)
Cash and cash equivalents at beginning of the year	13,966	16,898	17,956
Cash and cash equivalents at end of the year	16,898	17,956	16,100

Cash Flows from Operating Activities

For the year ended 30 June 2017, our net cash generated from operating activities was AUD$6.3 million, primarily reflecting cash generated from operations of AUD$7.9 million less income tax paid of AUD$1.8 million. Cash generated from operations primarily reflected our profit before tax of AUD$6.8

million, adjusted for non-cash and non-operations related items (such as amortisation of intangible assets of AUD$0.6 million and depreciation of property, plant and equipment of AUD$0.3 million) and positive working capital adjustments of AUD$0.4 million. Such positive working capital adjustments primarily consisted of (i) an increase of AUD$0.2 million in deferred income resulting from an increase in EFTSL and (ii) a decrease in prepayments, deposits and other receivables of AUD$0.2 million resulting from the utilisation of prepayments and deposits.

For the year ended 30 June 2016, our net cash generated from operating activities was AUD$5.6 million, primarily reflecting cash generated from operations of AUD$7.6 million less income tax paid of AUD$2.4 million. Cash generated from operations primarily reflected our profit before tax of AUD$5.0 million, adjusted for non-cash and non-operations related items (such as amortisation of intangible assets of AUD$0.4 million and depreciation of property, plant and equipment of AUD$0.2 million) and positive working capital adjustments of AUD$2.3 million. Such positive working capital adjustments primarily consisted of (i) an increase of AUD$1.4 million in other payables and accruals primarily due to the incurrence of a dividend payable in 2016 and the related 10% performance bonus due to Dr. Zhu, and (ii) an increase of AUD$0.6 million in deferred income due to an increase in EFTSL.

For the year ended 30 June 2015, our net cash generated from operating activities was AUD$3.9 million, primarily reflecting cash generated from operations of AUD$6.1 million less income tax paid of AUD$2.4 million. Cash generated from operations primarily reflected our profit before tax of AUD$7.3 million, adjusted for non-cash and non-operations related items (such as amortisation of intangible assets of AUD$0.4 million and depreciation of property, plant and equipment of AUD$0.1 million) and negative working capital adjustments of AUD$1.5 million. Such negative working capital adjustments primarily consisted of a decrease of AUD$1.5 million in deferred income primarily due to the discontinuation of a student internship program during the year ended 30 June 2015, so we no longer receive income for that program.

Cash Flows from Investing Activities

For the year ended 30 June 2017, our net cash used in investing activities amounted to AUD$1.7 million, which was attributable to (i) AUD$1.3 million in additions of intangible assets primarily relating to capitalised development expenditures on our self-accrediting authority application and course development for our Masters courses and law courses and (ii) AUD$0.3 million in purchases of property, plant and equipment, primarily to furnish additional rental space which we began to lease in August 2016.

For the year ended 30 June 2016, our net cash used in investing activities amounted to AUD$1.9 million, which was attributable to (i) AUD$1.3 million in additions of intangible assets primarily relating to capitalised development of expenditures on higher education registration, course development for our Masters courses and developing TOP Law and (ii) AUD$0.5 million in purchases of property, plant and equipment primarily including new computer equipment and software and classroom and office equipment.

For the year ended 30 June 2015, our net cash used in investing activities amounted to AUD$1.0 million, which was attributable to (i) AUD$0.9 million in additions of intangible assets primarily relating to capitalised development expenditures on higher education registrations and course development for various new courses and (ii) AUD$0.1 million in purchases of property, plant and equipment primarily for computer, classroom and office equipment upgrades and renovations to prepare for TOP Law.

Cash Flows from Financing Activities

For the year ended 30 June 2017, our net cash used in financing activities amounted to AUD$6.5 million, which was attributable to payment of AUD$8.9 million in unpaid dividends declared during the year ended 30 June 2016 to Shareholders, partially offset by AUD$2.4 million in net proceeds from issuance of Class A Shares in May 2017.

For the year ended 30 June 2016, our net cash used in financing activities amounted to AUD$2.7 million, which was attributable to payment of AUD$5.0 million for part of the dividends declared during the year ended 30 June 2016 to Shareholders, partially offset by AUD$2.4 million in net proceeds from the issue of Shares from PwC Nominees's investment.

For the year ended 30 June 2015, we recorded nil cash flows from financing activities.

Working Capital

We had net cash flows from operating activities for each year during the Track Record Period and net current assets as at each of 30 June 2015, 2016 and 2017 and 31 August 2017. Our Directors have confirmed that we have sufficient working capital for our requirements for at least the next 12 months from the date of this document, taking into account our cash flows from operating activities and the estimated [REDACTED] from the [REDACTED].

Net Current Assets

The following table sets out our current assets and current liabilities as at the dates indicated:

	As at 30 June			As at 31 August
	2015	2016	2017	2017
	AUD$'000	AUD$'000	AUD$'000	AUD$'000
Current assets				
Trade receivables	—	—	58	—
Prepayments and other receivables	519	867	1,389	1,442
Tax recoverable	—	17	—	—
Cash and cash equivalents	16,898	17,956	16,100	19,043
Total current assets	17,417	18,840	17,547	20,485
Current liabilities				
Trade payables	955	981	1,127	1,152
Other payables and accruals	1,041	2,355	2,335	1,839
Dividend payable	—	8,889	—	—
Deferred income	1,497	2,146	2,348	5,387
Tax payable	810	—	533	288
Total current liabilities	4,303	14,371	6,343	8,666
Net current assets	13,114	4,469	11,204	11,819

We had net current assets as at each of 30 June 2015, 2016 and 2017 and 31 August 2017. Our net current assets position as at each of these dates was primarily attributable to our large balance of cash and cash equivalents, which was partially offset by mainly our trade payables, other payables and accruals and deferred revenue as well as our dividend payable as at 30 June 2016.

Our net current assets increased from AUD$11.2 million as at 30 June 2017 to AUD$11.8 million as at 31 August 2017. This was primarily due to a decrease in other payables and accruals mainly resulting from a decease in payroll payables to employees.

DESCRIPTION OF SELECTED STATEMENT OF FINANCIAL POSITION ITEMS

Trade Receivables

Trade receivables represented amounts receivable from our corporate training customers. We generally do not have receivables due from students as we require students to prepay tuition and fees. For our trade receivables, we generally provide a 14-day credit period. The following table sets out our trade receivables as at the dates indicated:

	As at 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Trade receivables	—	—	58

During the Track Record Period, we did not record any trade receivables that were past due but not impaired and we did not record provision for impairment of any trade receivables. In considering whether impairment of receivables is required, we consider whether the debtor is experiencing significant financial difficulties, the probability that the debtor will enter bankruptcy or financial reorganisation and default or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows.

As at 31 August 2017, all of our trade receivables as at 30 June 2017 had been settled.

Prepayments, deposits and other receivables

The following table sets out our prepayments, deposits and other receivables as at the dates indicated.

	As at 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Non-current assets			
Prepayments	—	2,400	1,700
Lease deposits	203	203	203
	203	2,603	1,903
Current assets			
Prepayments	165	662	1,192
Other receivables	354	205	197
	519	867	1,389

Our prepayments, deposits and other receivables as at 30 June 2015, 2016 and 2017 were all interest-free and not secured with collateral. None of the above assets were either past due or impaired.

The balance of current and non-current prepayments primarily related to the future service allowance to be provided by PwC Australia. The amount of the unutilised portion of the Service Allowance was AUD$3.0 million and AUD$2.5 million as at 30 June 2016 and 30 June 2017, respectively. Other receivables primarily related to goods and services tax receivables owed to us from the Australian Tax Office. Lease deposits represented our lease deposits in relation to the facilities we rent.

Trade Payables

Trade payables represent the amounts due to our agents. Under our agent contracts, we generally are required to pay commissions within 45 days after the census date of each term, subject to receipt of an invoice from the relevant agent. The following table sets out our trade payables as at the dates indicated:

	As at 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Agent commission payable	955	981	1,127

Agent commissions payable remained stable at AUD$1.0 million as at 30 June 2015 and 30 June 2016 and increased to AUD$1.1 million as at 30 June 2017 due to an increase in EFTSL for the second term of the 2017 academic year.

As at 31 August 2017, AUD$0.2 million, or 15.8%, of our trade payables as at 30 June 2017 had been settled.

Other Payables and Accruals and Dividend Payables

Other payables and accruals primarily consist of unpaid leave obligations, salaries, payroll and bonuses payable, taxes payable, other amounts payable to employees or other counterparties and accruals for reinstatement cost relating to our leased assets.

	As at 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Current liabilities			
Other payables	491	1,619	1,331
Unpaid leave obligations	550	736	1,004
Other payables and accruals	1,041	2,355	2,335
Non-current liabilities			
Unpaid leave obligations	55	91	69
Accruals for reinstatement cost	—	66	82
Other payables and accruals	55	157	151

Our other payables and our accruals for reinstatement cost as at 30 June 2015, 2016 and 2017 were unsecured, interest-free and have no fixed terms of repayment.

The current portion of unpaid leave obligations represent all accrued annual leave as we do not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur. The non-current portion of unpaid leave obligations represents long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service.

We recorded dividends payable of nil, AUD$8.9 million and nil as at 30 June 2015, 2016 and 2017, respectively. We declared AUD$13.9 million in dividends for the year ended 30 June 2016, of which AUD$5.0 million was paid during the year ended 30 June 2016 and AUD$8.9 million remained unpaid as at 30 June 2016 and was subsequently paid during the year ended 30 June 2017. Other payables increased from AUD$0.5 million as at 30 June 2015 to AUD$1.6 million as at 30 June 2016 primarily due to a performance bonus payable to Dr. Zhu amounting to 10% of the dividends declared for the year ended 30 June 2016. Other payables decreased to AUD$1.3 million as at 30 June 2017 as we did not declare dividends during the year ended 30 June 2017 and therefore we did not record a performance bonus payable to Dr. Zhu.

Deferred Income

Deferred income represents the amount paid by students at end of each reporting period that relates to future service provision. Students are entitled to refund of tuition up to the census date, which is the date decided by our Institute for students to have finalised their enrolments. Once the census date has passed, students are no longer entitled to refund of tuition.

As at 30 June 2015, 2016 and 2017, we recorded deferred income of AUD$1.5 million, AUD$2.1 million and AUD$2.3 million, respectively, which reflected tuition and fees paid to us in advance for the second term of the 2015, 2016 and 2017 academic years, respectively. The increase in deferred income as at 30 June 2016 compared to 30 June 2015 reflected increased student enrolment, mainly in undergraduate courses. The further increase in deferred income as at 30 June 2017 reflected further growth in student enrolment following our alliance with PwC Australia and the entrance of new cohorts for our Bachelor of Laws and Bachelor of Applied Finance and Accounting courses.

Intangible Assets

As at 30 June 2015, 2016 and 2017, our intangible assets amounted to AUD$2.0 million, AUD$2.9 million and AUD$3.6 million, respectively. Our intangible assets consist of capitalised development expenditures on higher education registrations and applications and course materials created by our staff and by external consultants. Our intangible assets increased from AUD$2.0 million as at 30 June 2015 to AUD$2.9 million as at 30 June 2016 primarily due to an increase in new course materials and set up expenses for TOP Law and course material development for our Masters courses. Our intangible assets further increased to AUD$3.6 million as at 30 June 2017 primarily due to expenditures for our self-accrediting authority application and course development of our Masters courses during the year ended 30 June 2017.

INDEBTEDNESS

Our outstanding indebtedness during the Track Record Period was nil. Our Directors confirm that, as at 31 August 2017, being the latest practicable date for the purpose of determining indebtedness, we did not have any borrowings, debt securities, indebtedness, mortgages, charges, contingent liabilities or guarantees. As at the Latest Practicable Date, we did not have any plan to raise material external debt.

RELATED PARTY TRANSACTIONS

Other than remuneration of Directors and utilisation of the Service Allowance with PwC Australia, we did not engage in any related party transactions during the Track Record Period. For more information, see Note 25 to the Accountants' Report set out in Appendix I to this document and the section headed "Connected Transactions".

COMMITMENTS

The following table sets out our operating lease commitments as at the dates indicated.

	As at 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases:			
Within 1 year	796	1,018	1,041
1 to 5 years	2,934	2,522	2,577
Total	3,730	3,540	3,618

We had no capital commitments as at 30 June 2015, 2016 and 2017.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures consisted primarily of expenditures on (i) plant and equipment, (ii) classroom equipment and office and (iii) teachers reference books.

The following table sets forth our historical capital expenditures for the periods indicated:

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Additions of property, plant and equipment	104	532	346

For more information on the uses of our capital expenditures on purchases of items of property, plant and equipment during the Track Record Period, please see the section above headed "Liquidity and Capital Resources — Cash flows from investing activities."

CONTINGENT LIABILITIES

As at 30 June 2015, 2016 and 2017, we did not have any significant contingent liabilities.

FINANCIAL RATIOS

Set out below is the summary of our key financial ratios for the years indicated:

	As at/Year ended 30 June		
	2015	2016	2017
Return on assets[(1)] (%)	26.3	15.1	18.8
Return on equity[(2)] (%)	36.0	26.4	32.8
Current ratio[(3)]	4.0x	1.3x	2.8x

Notes:

(1) Return of assets is calculated by dividing profit for the year by the average of total assets as at the end of the year and the previous year and multiplied by 100%.

(2) Return on equity is calculated by dividing profit for the year by the average of total equity as at the end of the year and the previous year and multiplied by 100%.

(3) Current ratio is calculated by dividing total current assets by total current liabilities as at the date indicated.

Our return on assets decreased from 26.3% for the year ended 30 June 2015 to 15.1% for the year ended 30 June 2016 due to a decrease in profit for the year primarily resulting from greater administrative expenses related to the bonus payable to Dr. Zhu, and advertising and marketing expenses related to the launch of TOP Law and our new courses, combined with an increase in total assets, mainly due to the Service Allowance from PwC Australia. Our return on assets increased from 15.1% for the year ended 30 June 2016 to 18.8% for the year ended 30 June 2017 due to a greater percentage increase in profit for the year compared to the increase in average total assets, primarily resulting from an increase in revenue from increased enrolment due to our alliance with PwC Australia and our new revenue stream from corporate training programs.

Our return on equity decreased from 36.0% for the year ended 30 June 2015 to 26.4% for the year ended 30 June 2016 primarily due to the decrease in profit for the year, which was mainly the result of increased administrative and advertising and marketing expenses. Our return on equity increased from 26.4% for the year ended 30 June 2016 to 32.8% for the year ended 30 June 2017 due to a greater percentage increase in profit for the year compared to the increase in average total equity, primarily resulting from the increase in revenue for the year ended 30 June 2017 as well as the declaration of dividends for the year ended 30 June 2016.

Our current ratio decreased from 4.0x as at 30 June 2015 to 1.3x as at 30 June 2016 primarily due to a greater percentage increase in current liabilities compared to current assets, which was mainly the result of an increase in dividends payable. Our current ratio increased to 2.8x as at 30 June 2017, mainly due to a greater percentage decrease in current liabilities compared to current assets, which was primarily the result of the payment of all outstanding dividends payable during the year ended 30 June 2017 and the cash generated from operations during that year.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENT LIABILITIES

During the Track Record Period, we did not have any material off-balance sheet arrangements or any variable interest in any other entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

DIVIDEND POLICY

We declared dividends of nil, AUD$13.9 million and nil to our then Shareholders for the years ended 30 June 2015, 2016 and 2017, respectively. As at 30 June 2015, 2016 and 2017, we recorded dividend payables of nil, AUD$8.9 million and nil. We cannot guarantee when, if and in what form dividends may be declared or paid in the future.

Subject to the provisions of the Constitution and the Australian Corporations Act and the discretion of our Directors, we currently target to distribute to our Shareholders not less than 30% of our profit for the year attributable to equity Shareholders. Declaration of dividends is subject to the discretion of our Directors depending on our results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which our Directors may consider relevant.

DISTRIBUTABLE RESERVES

As at 30 June 2017, our Company had reserves in the amount of AUD$9.0 million available for distribution.

QUANTITATIVE AND QUALITATIVE INFORMATION ABOUT MARKET RISKS

In the normal course of business, we are exposed to various types of market risks including credit risk and liquidity risk. Our Directors review and agree on policies for managing each of these risks. For more information, see Note 30 to the Accountants' Report set out in Appendix I to this document.

[REDACTED]

We expect to incur total [REDACTED] (including professional fees, [REDACTED] and other fees and without taking into account of the issue of [REDACTED] under the [REDACTED]) of approximately HK$[REDACTED] million (based on the mid-point of the indicative [REDACTED], of which approximately HK$[REDACTED] million has been or is expected to be recognised in our statements of profit or loss and other comprehensive income and approximately HK$[REDACTED] million is expected to be [REDACTED] upon [REDACTED]. [REDACTED] of approximately HK$[REDACTED] million were reflected in our statements of profit or loss and other comprehensive income for the Track Record Period and an additional amount of approximately HK$[REDACTED] million is expected to be recognised in our statements of profit or loss and other comprehensive income for the year ending 30 June 2018. The [REDACTED] above are the latest practicable estimate for reference only and the actual amount may differ from the estimate. Our Directors expect that our financial results for the year ending 30 June 2018 will be impacted by the non-recurring [REDACTED] to be charged to our statements of profit or loss and other comprehensive income.

[REDACTED] ADJUSTED NET TANGIBLE ASSETS

The following statement of [REDACTED] adjusted net tangible assets attributable to owners of the Company was prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the [REDACTED] on the net tangible assets attributable to owners of the Company as at 30 June 2017 as if the [REDACTED] had taken place on that date. The statement of [REDACTED] adjusted net tangible assets of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of our net tangible assets had the [REDACTED] been completed as at 30 June 2017 or at any future date.

The statement of [REDACTED] adjusted net tangible assets of the Company set out below calculated based on the net assets attributable to owners of the Company as at 30 June 2017, as shown in the Accountants' Report, the text of which is included in Appendix I to this document, and is adjusted as described below:

	Net tangible assets attributable to owners of the Company as at 30 June 2017(1)	Estimated [REDACTED] from the [REDACTED](2)	[REDACTED] adjusted net tangible assets attributable to owners of the Company as at 30 June 2017	[REDACTED] adjusted net tangible assets attributable to owners of the Company per Share as at 30 June 2017(3) (4)	
	AUD$'000	AUD$'000	AUD$'000	AUD$	HK$
Based on an [REDACTED] of HK$[REDACTED] per [REDACTED] . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [REDACTED] of HK$[REDACTED] per [REDACTED] . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) The net tangible assets of the Company attributable to owners of the Company as at 30 June 2017 is extracted from the Accountants' Report, the text of which is included in Appendix I of this Document, which is based on the net assets attributable to the owners of the Company as at 30 June 2017 of AUD$17.5 million after deducting intangible assets of AUD$3.6 million.

(2) The estimated [REDACTED] from the [REDACTED] are based on [REDACTED] of an indicative [REDACTED] of HK$[REDACTED] and HK$[REDACTED] per [REDACTED], respectively, after deducting the [REDACTED] and other related expenses, and take no account of any Shares which may be issued upon the exercise of the [REDACTED] or any Shares which may be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan. For the purpose of the estimated [REDACTED] from the [REDACTED], the amounts stated in Hong Kong dollars have been converted into Australian dollars at the rate of AUD$0.1613 to HK$1.0. No representation is made that the Australian dollar amounts have been, could have been or may be converted into Hong Kong dollars, or vice versa, at that rate or at all.

(3) The [REDACTED] adjusted net tangible assets of the Company attributable to the owners of the Company as at 30 June 2017 per Share is arrived at after the adjustments referred to in note 2 above and on the basis that [REDACTED] Shares were in issue assuming the [REDACTED] had been completed on 30 June 2017. It takes no account of any Shares which may be issued upon the exercise of the [REDACTED] or any Shares which may be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan.

(4) For the purpose of the [REDACTED] adjusted net tangible assets of the Company attributable to the owners of the Company as at 30 June 2017 per Share, the amounts stated in Australian dollars are converted into Hong Kong dollars at the rate of AUD$0.1613 to HK$1.0. No representation is made that the Australian dollar amounts have been, could have been or may be converted into Hong Kong dollars, or vice versa, at that rate or at all.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

The second term of the 2017 academic year commenced in July 2017. We recorded student enrolment for this term of 837 EFTSL (calculated by dividing the total number of units taken this term by 4, which is the average number of units of a single full-time student in a term). This comprised 356 EFTSL from international undergraduate students, 421 EFTSL from international postgraduate students, 54 EFTSL from domestic undergraduate students and 6 EFTSL from domestic postgraduate students.

Our revenue for the two months ended 31 August 2017 increased compared to the two months ended 31 August 2016 primarily due to an increase in tuition in September 2016 and increased EFTSL following our alliance with PwC Australia.

On 17 October 2017, we received notification from TEQSA that our new Master of Business Administration, Graduate Diploma of Business Administration and Graduate Certificate of Business Administration courses had been approved for accreditation for the maximum period of seven years.

We intend to declare dividends for the profit from the two years ended 30 June 2017 prior to [REDACTED].

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

- In July 2017, we ran SCDP for the second time, with a cohort of 31 students.
- We entered into two new contracts with clients for our corporate training program.
- We signed memoranda of understanding with five companies for student work experience placements programs, whereby the companies will contact us when student internship positions are available for application. We have agreed with PwC Australia a work experience program for up to 100 students per annum.

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

On 22 September 2017, we hosted a VIP visit with a delegation from China led by H.E. Qinmin Wang, Vice Chairman of Chinese People's Political Consultative Conference and Chairman of China National Chamber of Commerce, and accompanied by the Consulate-General of the PRC in Sydney. We believe that this visit helps to heighten our visibility and increase interest in our Institute in China, and provides opportunities to build new relationships with Chinese education groups.

Our Directors confirm that there has been no material adverse change in our financial or trading position since 30 June 2017 (being the date of our latest audited statements of financial results, as set out in the Accountants' Report in Appendix I to this document) and up to the date of this document.

NO ADDITIONAL DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there were no circumstances which would have given rise to any disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules had the Shares been [REDACTED] on the Stock Exchange on that date.

FUTURE PLANS

See the section headed "Business — Business Strategies" in this document for a detailed description of our future plans.

[REDACTED]

The [REDACTED] from the [REDACTED], after deducting [REDACTED] and estimated expenses payable by us in connection with the [REDACTED], are estimated to be approximately HK$[REDACTED] million before any exercise of the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per Share. We intend to use such [REDACTED] for the following purposes:

We intend to use the [REDACTED] we will receive from the [REDACTED] for the following purposes:

- approximately HK$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) for establishing student experience centres in China, which is further allocated as below:

  — approximately [REDACTED] of estimated [REDACTED] for the initial set up of the first flagship student experience centre in a first-tier city in China, incorporating the latest digital technology to provide potential students a view of life in Sydney and at our Institute; and

  — approximately [REDACTED] of estimated [REDACTED] for establishment of an additional five student experience centres in different cities across China in the following five years.

- approximately HK$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) for upgrading our campus infrastructure, including further digitalisation of our campus resources, updating and centralising our systems and increasing library and other information resources to support more students.

- approximately HK$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) for expanding our research and scholarship activities, including establishing a long-term research facility, expanding our budget to support research activities by our staff and students and developing a PhD course to build off our existing Master of Business Research course.

- approximately HK$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) for sales and marketing activities, such as setting up a new marketing office in Sydney's central business district and extending our network contacts across Australia, in China and in other major student sourcing countries.

- approximately HK$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) for further development of SCDP as an online program which can be made available to a wide range of students by utilising an existing MOOC platform.

- approximately HK$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) for [REDACTED] to expand our presence in Australia and internationally, which is further allocated as below:

  — approximately [REDACTED] of estimated [REDACTED] for acquisitions, mergers or equity investments in suitable education groups or institutions in China, such as secondary schools or other education providers which may act as a source of students for our Institute; and

  — approximately [REDACTED] of estimated [REDACTED] for rent and facility infrastructure to establish additional physical locations in Australia, China or in other countries, such as opening new campuses in Sydney's central business district or in Tasmania, Australia.

- approximately HK$[REDACTED] million (approximately [REDACTED] of our total estimated [REDACTED]) for working capital and general corporate purposes.

We plan to use the majority of the [REDACTED] from the [REDACTED] in 2018 and 2019 for the above purposes with the remaining amount to be used by no later than 2020. As at the Latest Practicable Date, we did not have any definitive acquisition plan and had not identified any acquisition target in relation to our expansion plans.

If the [REDACTED] is set at the low end of the indicative [REDACTED], the estimated [REDACTED] from the [REDACTED], assuming that the [REDACTED] is not exercised, will decrease to approximately HK$[REDACTED] million. In such event, we will adjust the intended use of the [REDACTED] for the above purposes on a pro-rata basis.

If the [REDACTED] is set at the high end of the indicative [REDACTED], the estimated [REDACTED] from the [REDACTED], assuming that the [REDACTED] is not exercised, will increase to approximately HK$[REDACTED] million. If the [REDACTED] is exercised in full, assuming an [REDACTED] of HK$[REDACTED], HK$[REDACTED] and HK$[REDACTED] per Share, being the low end, mid-point and high end of the indicative [REDACTED], the estimated [REDACTED] from the [REDACTED], including the [REDACTED] from the exercise of the [REDACTED], will increase to approximately HK$[REDACTED] million, HK$[REDACTED] million or HK$[REDACTED] million, respectively. In each of these events, the [REDACTED] will be allocated in the proportion calculated based on their respective initial allocation amounts.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit such [REDACTED] into interest-bearing bank accounts with licensed banks or financial institutions.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

The following is the text of a report, prepared for the purpose of incorporation in this document, received from the Company's Reporting Accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

The Directors
Top Education Group Ltd

and
China Galaxy International Securities (Hong Kong) Co., Ltd.

Dear Sirs,

We report on the historical financial information of Top Education Group Ltd (the "Company") set out on pages I-3 to I-36, which comprises the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for each of the years ended 30 June 2015, 2016 and 2017 (the "Relevant Periods"), and the statements of financial position of the Company as at 30 June 2015, 2016 and 2017 and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-36 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the initial [REDACTED] of the shares of the Company on the [REDACTED] of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial

Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Company as at 30 June 2015, 2016 and 2017 and of the financial performance and cash flows of the Company for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 15 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Yours faithfully,

Certified Public Accountants
Hong Kong
[REDACTED]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Company for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young, Australia in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("IAASB") (the "Underlying Financial Statements").

The Historical Financial Information is presented in Australian dollars ("AUD") and all values are rounded to the nearest thousand (AUD$'000) except when otherwise indicated.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 30 June		
	Notes	**2015**	**2016**	**2017**
		AUD$'000	**AUD$'000**	**AUD$'000**
REVENUE	*5*	17,114	17,408	21,138
Cost of sales	*6*	(7,712)	(8,055)	(9,977)
Gross profit		9,402	9,353	11,161
Other income	*7*	426	417	315
Administrative expenses	*8*	(1,762)	(3,591)	(3,448)
Advertising and marketing expenses	*9*	(635)	(1,161)	(1,199)
Other operating expenses		(98)	(61)	(60)
PROFIT BEFORE TAX		7,333	4,957	6,769
Income tax expense	*13*	(2,572)	(1,515)	(2,167)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,761	3,442	4,602
Attributable to:				
Owners of the Company		4,761	3,442	4,602
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Basic earnings per share	*14*	AUD$6.35	AUD$4.52	AUD$5.15
Diluted earnings per share	*14*	AUD$6.35	AUD$4.52	AUD$5.13

STATEMENTS OF FINANCIAL POSITION

	Notes	As at 30 June 2015	2016	2017
		AUD$'000	AUD$'000	AUD$'000
NON-CURRENT ASSETS				
Property, plant and equipment	*16*	342	657	750
Intangible assets	*17*	1,964	2,877	3,624
Prepayments and deposits	*20*	203	2,603	1,903
Deferred tax assets	*18*	42	50	202
Total non-current assets		2,551	6,187	6,479
CURRENT ASSETS				
Trade receivables	*19*	—	—	58
Prepayments and other receivables	*20*	519	867	1,389
Tax recoverable		—	17	—
Cash and cash equivalents	*21*	16,898	17,956	16,100
Total current assets		17,417	18,840	17,547
CURRENT LIABILITIES				
Trade payables	*22*	955	981	1,127
Other payables and accruals	*23*	1,041	2,355	2,335
Dividend payable		—	8,889	—
Deferred income	*24*	1,497	2,146	2,348
Tax payable		810	—	533
Total current liabilities		4,303	14,371	6,343
NET CURRENT ASSETS		13,114	4,469	11,204
TOTAL ASSETS LESS CURRENT LIABILITIES		15,665	10,656	17,683

	Notes	As at 30 June 2015	2016	2017
		AUD$'000	AUD$'000	AUD$'000
NON-CURRENT LIABILITIES				
Other payables and accruals	*23*	55	157	151
Total non-current liabilities		55	157	151
Net assets		15,610	10,499	17,532
EQUITY				
Issued capital	*25*	750	6,086	8,480
Reserves		14,860	4,413	9,052
Total equity		15,610	10,499	17,532

STATEMENTS OF CHANGES IN EQUITY

	Notes	Issued capital	Share-based payment reserve	Retained profits	Total equity
		AUD$'000	AUD$'000	AUD$'000	AUD$'000
At 1 July 2014		750	—	10,099	10,849
Profit and total comprehensive income for the year		—	—	4,761	4,761
At 30 June 2015 and 1 July 2015		750	—	14,860	15,610
Profit and total comprehensive income for the year		—	—	3,442	3,442
Dividends declared	15	—	—	(13,889)	(13,889)
Issue of shares	25	5,500	—	—	5,500
Share issue expenses	25	(164)	—	—	(164)
At 30 June 2016 and 1 July 2016		6,086	—	4,413	10,499
Profit and total comprehensive income for the year		—	—	4,602	4,602
Issue of shares	25	2,500	—	—	2,500
Share issue expenses	25	(106)	—	—	(106)
Equity-settled performance rights arrangements	26	—	37	—	37
At 30 June 2017		8,480	37	9,015	17,532

STATEMENTS OF CASH FLOWS

	Notes	Year ended 30 June 2015	2016	2017
		AUD$'000	AUD$'000	AUD$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		7,333	4,957	6,769
Adjustments for:				
Interest income	7	(289)	(296)	(165)
Equity-settled performance rights expense	26	—	—	37
Depreciation of property, plant and equipment	16	136	217	253
Amortisation of intangible assets	17	425	421	589
		7,605	5,299	7,483
Increase in trade receivables		—	—	(58)
(Increase)/decrease in prepayments, deposits and other receivables		(395)	252	178
Increase in trade payables		402	26	146
(Decrease)/increase in other payables and accruals		(7)	1,416	(26)
(Decrease)/increase in deferred income		(1,535)	649	202
Cash generated from operations		6,070	7,642	7,925
Interest received		289	296	165
Income tax paid		(2,447)	(2,350)	(1,769)
Net cash flows from operating activities		3,912	5,588	6,321

	Notes	Year ended 30 June 2015	2016	2017
		AUD$'000	AUD$'000	AUD$'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(104)	(532)	(346)
Additions to intangible assets		(876)	(1,334)	(1,336)
Net cash flows used in investing activities		(980)	(1,866)	(1,682)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	*25*	—	2,500	2,500
Share issue expenses	*25*	—	(164)	(106)
Dividends paid		—	(5,000)	(8,889)
Net cash flows used in financing activities		—	(2,664)	(6,495)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,932	1,058	(1,856)
Cash and cash equivalents at beginning of year		13,966	16,898	17,956
CASH AND CASH EQUIVALENTS AT END OF YEAR	*21*	16,898	17,956	16,100

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Top Education Group Ltd is a limited liability company, incorporated on 2 October 2001 and domiciled in Australia. The registered office of the Company is located at Suite 1, Biomedical Building, 1 Central Avenue, Australian Technology Park, Eveleigh, New South Wales 2015, Sydney, Australia.

The Company is principally engaged in providing private higher education services in Australia. The Company has no subsidiaries since its incorporation.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the IASB. All IFRSs effective for the accounting period commencing from 1 July 2016, together with the relevant transitional provisions, have been adopted by the Company in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention.

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in the Historical Financial Information:

IFRS 9	*Financial Instruments*[2]
IFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
IFRS 16	*Leases*[3]
Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[2]
Amendments to IAS 40	*Transfers of Investment Property*[2]
IFRIC Interpretation 22	*Foreign Currency Transactions and Advance Consideration*[2]
IFRS 17	*Insurance Contracts*[4]
IFRIC Interpretation 23	*Uncertainty over Income Tax Treatments*[3]
Amendments to IFRS 12 included in *Annual Improvements 2014–2016 Cycle*	*Disclosure of Interests in Other Entities*[1]
Amendments to IFRS 1 included in *Annual Improvements 2014–2016 Cycle*	*First-time Adoption of International Financial Reporting Standards*[2]
Amendments to IAS 28 included in *Annual Improvements 2014–2016 Cycle*	*Investments in Associates or Joint Ventures*[2]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 Effective for annual periods beginning on or after 1 January 2021
5 No mandatory effective date yet determined but available for adoption

The Company is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Company considers that these new and revised IFRSs may result in changes in accounting policies and are unlikely to have a significant impact on the Company's financial performance and financial position, except as described below.

***IFRS 15 Revenue from Contracts with Customers* and Amendments to IFRS 15**

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. In April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Company expects to adopt IFRS 15 on 1 July 2018.

The directors of the Company anticipate that the adoption of IFRS 15 in the future may have impact on the amounts reported and disclosures made in the Company's financial statements. The directors of the Company are in the process of assessing the quantitative effect of these requirements. However, in the opinion of the directors, it is not practicable to provide a reasonable estimate of the quantitative effect for the application of IFRS 15 until the assessment has been completed.

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases — Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases.

Total operating lease commitments of the Company as at 30 June 2015, 2016 and 2017 amounted to AUD$3,730,000, AUD$3,540,000 and AUD$3,618,000, respectively as disclosed in note 27. The directors of the Company anticipate the adoption of IFRS 16 in the future may have impact on the amounts reported and disclosures made in the Company's financial statements, as it is expected that certain portion of these lease commitments will be required to be recognised in the statements of financial position of the Company as right-of-use assets and lease liabilities. The Company expects to adopt IFRS 16 on 1 July 2019 and is currently assessing the impact of IFRS 16 upon adoption. Except as disclosed above, the directors of the Company do not anticipate that application of IFRS 16 will have a significant impact on the financial performance and financial positions of the Company.

IFRS 9 Financial Instruments

IFRS 9 *Financial instrument* brings together all phases of the financial instruments project to replace IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Company has yet to undertake a detailed assessment of the classification and measurement of financial assets and financial liabilities. The Company does not have financial assets such as equity instruments, equity investments or debt instrument hence there will be no impact. Further there will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit and loss and the Company does not have any such liabilities. The derecognition rules have been transferred from IAS 39 and have not been changed.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value measurement

Fair value is the price that would be received for its services provided or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that close person's family and that person

(i) has control or joint control of the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Teachers reference books	14.3% – 33.3%
Plant and equipment	20% – 25%
Classroom and office equipment	25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Expenditure incurred on projects to develop new courses is capitalised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Course development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying course not exceeding seven years, commencing from the date when the courses are implemented.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Company is the lessor, assets leased by the Company under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement of loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included profit or loss. The loss arising from impairment is recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and dividend payables.

Subsequent measurement of loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified the chief executive officer ("CEO") and the Board of Directors as being the chief operating decision makers.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the country in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company, the revenue can be measured reliably, the price is fixed and determinable and when services are rendered.

Tuition fees are generally received in advance prior to the beginning of each semester, and are initially recorded as deferred revenue. Tuition fees are recognised proportionately over the relevant period of the applicable course. The portion of tuition fee payments received from students but not earned is recorded as deferred revenue and is reflected as a current liability as such amounts represent revenue that the Company expects to earn within one year.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Share-based payments

The Company operates performance rights schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The unhurdled fair value of the performance rights is calculated as the value of the ordinary shares in the Company less the present value of the projected dividends over the expected term of the performance rights, further details of the Company's performance rights schemes are given in note 26.

The cost of equity-settled transactions for employees is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Company or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding performance rights is reflected as additional share dilution in the computation of earnings per share.

Employee benefits

(i) Pension schemes

Contributions to defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(ii) Obligations to employees

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statements of financial position as the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

The leave obligations cover the Company's liability for long service leave and annual leave.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in Australian dollars, which is the Company's functional currency. Foreign currency transactions recorded by the Company are initially recorded using functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statements of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at the end of each of the Relevant Periods. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the temporary difference can be reversed. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Intangible assets

Intangible assets are capitalised in accordance with the accounting policy for intangible assets in note 2.3 "Intangible assets" Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected periods of benefits.

Useful lives of deferred development costs

The Company's management determines the estimated useful lives of its deferred development costs for the calculation of the amortisation of deferred development costs. This estimate is determined after considering the expected period in which economic benefits can be generated from the development courses/programs to which the deferred development costs related. Management reviews the estimated useful lives on an annual basis and future amortisation charges are adjusted where management believes the useful lives differ from previous estimates. Further details are given in note 2.3 "Intangible assets".

4. OPERATING SEGMENT INFORMATION

The Company has identified the CEO and the Board of Directors as the chief operating decision makers. The Company has only one reporting segment being the provision of private higher education services in Australia.

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

The CEO and the Board of Directors as the chief operating decision makers examine the Company's performance primarily using the student numbers and course fees earned.

No services provided to a single customer contributes 10% or more of the total revenue of the Company during the Relevant Periods.

5. REVENUE

Revenue represents the value of services rendered, after deducting refunds, during the Relevant Periods.

An analysis of revenue is as follows:

	Year ended 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Course fee income	17,114	17,408	21,138

6. COST OF SALES

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Agent commissions	3,591	3,442	4,005
Employee benefit expenses (note 10)	2,224	2,889	3,690
Office expenses	229	333	353
Minimum lease payments under operating leases	516	542	636
Depreciation of property, plant and equipment	103	165	220
Amortisation of intangible assets	425	421	589
Consultation and service fees	142	108	298
Student costs	482	155	186
	7,712	8,055	9,977

7. OTHER INCOME

An analysis of other income is as follows:

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Interest income	289	296	165
Other income	137	121	150
	426	417	315

8. ADMINISTRATIVE EXPENSES

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Employee benefit expenses (note 10)	1,072	2,840	1,551
[REDACTED] expenses	—	—	[REDACTED]
Minimum lease payments under operating leases	272	285	368
Office expenses	179	196	276
Auditors' remuneration	88	52	70
Depreciation of property, plant and equipment	33	52	33
Others	118	166	202
	1,762	3,591	3,448

The Company incurred research expenses of AUD$5,840, AUD$24,787 and AUD$19,451 for the years ended 2015, 2016 and 2017, respectively.

9. ADVERTISING AND MARKETING EXPENSES

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Employee benefit expenses (note 10)	209	372	434
Advertising and business promotion expenses	228	644	562
Travelling expenses	198	145	203
	635	1,161	1,199

10. EMPLOYEE BENEFIT EXPENSES

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Wages, salaries and other employee benefits	3,509	6,366	5,692
Share-based payments (note 26)	—	—	37
Pension schemes contribution			
— Defined contribution scheme	281	416	527
Less: amount capitalised	(285)	(681)	(581)
	3,505	6,101	5,675

11. DIRECTORS' REMUNERATION

The Company did not have any executive directors, non-executive directors and independent non-executive directors during the Relevant Periods.

Thomas Richard Seymour, Jing Li and Chaohui Liu were appointed as directors of the Company on 27 May 2016, 29 July 2016 and 30 August 2016, respectively. Kai Zhang was appointed as an alternative director for Thomas Richard Seymour on 27 May 2016.

The remuneration of the CEO and each of these directors as recorded in the Historical Financial Information is set out below:

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Directors' fee	60	56	96
Other emoluments:			
Salaries	200	220	220
Share-based payment	—	—	37
Performance related bonus	—	1,269	—
Pension scheme contributions	19	68	102
	219	1,557	359
	279	1,613	455

During the year ended 30 June 2017, the CEO was granted performance rights, in respect of the services to the Company, under the performance rights scheme of the Company, further details of which are set out in note 26. The fair value of such performance rights, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the Historical Financial Information in the above directors' and the CEO's remuneration disclosures.

The remuneration of each of the directors and the CEO of the Company for the Relevant Periods is set out below:

	Directors' fees	Salaries	Share-based payment	Performance related bonus	Pension scheme contributions	Total
	AUD$'000	AUD$'000	AUD$'000	AUD$'000	AUD$'000	AUD$'000
Year ended 30 June 2015						
Dr. Minshen Zhu, CEO	—	200	—	—	19	219
Amen Kwai Ping Lee	20	—	—	—	—	20
Keith Kyoichi Ogata	20	—	—	—	—	20
Qingquan Yang	20	—	—	—	—	20
	60	200	—	—	19	279
Year ended 30 June 2016						
Dr. Minshen Zhu, CEO	—	220	—	1,269	64	1,553
Amen Kwai Ping Lee	18	—	—	—	2	20
Keith Kyoichi Ogata	20	—	—	—	—	20
Qingquan Yang	18	—	—	—	2	20
	56	220	—	1,269	68	1,613
Year ended 30 June 2017						
Dr. Minshen Zhu, CEO	—	220	37	—	98	355
Amen Kwai Ping Lee	18	—	—	—	2	20
Keith Kyoichi Ogata[(a)]	20	—	—	—	—	20
Qingquan Yang[(b)]	18	—	—	—	2	20
Jing Li	20	—	—	—	—	20
Chaohui Liu[(a)]	20	—	—	—	—	20
	96	220	37	—	102	455

(a) Resigned on 26 October 2017
(b) Resigned on 27 October 2017

There was no arrangement under which directors or the CEO waived or agreed to waive any remuneration during the Relevant Periods.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included the CEO, details of whose remuneration are set out in note 11 above. Details of the remuneration for the Relevant Periods of the remaining four highest paid employees who are neither directors nor the CEO of the Company are as follows:

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Salaries	526	878	975
Performance related bonus	144	64	63
Pension scheme contributions	58	70	79
	728	1,012	1,117

The number of non-director and non-CEO highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees		
	Year ended 30 June		
	2015	2016	2017
Nil to AUD$161,000 (HK$1,000,000)	2	—	—
AUD$161,001 (HK$1,000,001) to AUD$242,000 (HK$1,500,000)	2	3	1
AUD$242,001 (HK$1,500,001) to AUD$323,000 (HK$2,000,000)	—	1	3
	4	4	4

During the Relevant Periods, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Company to any of the five highest paid employees as an inducement to join or upon joining the Company or as compensation for loss of office.

13. INCOME TAX

The Company is subject to income tax on profits arising in or derived from the jurisdiction in which the Company is domiciled and operates. Profits tax has been provided at the Company's statutory tax rate of 30% for the years ended 30 June 2015, 2016 and 2017 on the estimated assessable profits.

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

	Year ended 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Current tax			
Provision for the year	2,247	1,555	2,273
Underprovision/(overprovision) for current tax of prior periods	278	(32)	—
Deferred tax (note 18)	47	(8)	(106)
Tax charge for the year	2,572	1,515	2,167

A reconciliation of the tax expense applicable to profit before tax using the Company's statutory rate to the tax charge at the Company's effective tax rate is as follows:

	Year ended 30 June					
	2015		2016		2017	
	AUD$'000	%	AUD$'000	%	AUD$'000	%
Profit before tax	7,333		4,957		6,769	
Tax at the Company's statutory tax rate of 30%	2,200	30.0	1,487	30.0	2,031	30.0
Expenses not deductible for tax	14	0.2	18	0.4	137	2.0
Adjustments for current tax of prior periods	278	3.8	(32)	(0.6)	—	—
Others	80	1.1	42	0.8	(1)	—
Tax charge at effective rate	2,572	35.1	1,515	30.6	2,167	32.0

14. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to owners of the Company and the weighted average number of ordinary shares and Class A shares in issue during the Relevant Periods.

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

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

	Year ended 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Earnings			
Profit attributable to owners of the Company	4,761	3,442	4,602

	2015	**2016**	**2017**	
	Ordinary shares	**Ordinary shares**	**Ordinary shares**	**Class A shares**
	'000	**'000**	**'000**	**'000**
Shares				
Weighted average number of shares in issue during the Relevant Periods used in the basic earnings per share calculation	750	762	882	11
Effect of dilution — weighted average number of shares:				
Performance rights	—	—	4	—
	750	762	886	11

15. DIVIDENDS

	Year ended 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Final — AUD$18.5 per ordinary share	—	13,889	—

16. PROPERTY, PLANT AND EQUIPMENT

	Teachers reference books	Plant and equipment	Classroom and office equipment	Total
	AUD$'000	AUD$'000	AUD$'000	AUD$'000
30 June 2015				
At 1 July 2014:				
Cost	121	589	243	953
Accumulated depreciation	(62)	(356)	(161)	(579)
Net carrying amount	59	233	82	374
At 1 July 2014, net of accumulated depreciation	59	233	82	374
Additions	19	66	19	104
Depreciation provided during the year	(17)	(95)	(24)	(136)
At 30 June 2015, net of accumulated depreciation	61	204	77	342
At 30 June 2015:				
Cost	140	655	262	1,057
Accumulated depreciation	(79)	(451)	(185)	(715)
Net carrying amount	61	204	77	342
30 June 2016				
At 30 June 2015 and 1 July 2015:				
Cost	140	655	262	1,057
Accumulated depreciation	(79)	(451)	(185)	(715)
Net carrying amount	61	204	77	342
At 30 June 2015 and 1 July 2015, net of accumulated depreciation	61	204	77	342
Additions	41	400	91	532
Depreciation provided during the year	(18)	(157)	(42)	(217)
At 30 June 2016, net of accumulated depreciation	84	447	126	657
At 30 June 2016:				
Cost	181	1,055	353	1,589
Accumulated depreciation	(97)	(608)	(227)	(932)
Net carrying amount	84	447	126	657

	Teachers reference books	Plant and equipment	Classroom and office equipment	Total
	AUD$'000	AUD$'000	AUD$'000	AUD$'000
30 June 2017				
At 30 June 2016 and 1 July 2016:				
Cost	181	1,055	353	1,589
Accumulated depreciation	(97)	(608)	(227)	(932)
Net carrying amount	84	447	126	657
At 30 June 2016 and 1 July 2016, net of accumulated depreciation	84	447	126	657
Additions	40	122	184	346
Depreciation provided during the year	(27)	(164)	(62)	(253)
At 30 June 2017, net of accumulated depreciation	97	405	248	750
At 30 June 2017:				
Cost	221	1,177	537	1,935
Accumulated depreciation	(124)	(772)	(289)	(1,185)
Net carrying amount	97	405	248	750

17. INTANGIBLE ASSETS

	Registration and other development expenditure	Course development expenditure	Total
	AUD$'000	AUD$'000	AUD$'000
30 June 2015			
At 1 July 2014:			
Cost	1,082	1,919	3,001
Accumulated amortisation	(865)	(623)	(1,488)
Net carrying amount	217	1,296	1,513
Cost as at 1 July 2014, net of accumulated amortisation	217	1,296	1,513
Additions	475	401	876
Amortisation provided during the year	(52)	(373)	(425)
At 30 June 2015, net of accumulated amortisation	640	1,324	1,964
At 30 June 2015:			
Cost	1,557	2,282	3,839
Accumulated amortisation	(917)	(958)	(1,875)
Net carrying amount	640	1,324	1,964
30 June 2016			
At 30 June 2015 and 1 July 2015:			
Cost	1,557	2,282	3,839
Accumulated amortisation	(917)	(958)	(1,875)
Net carrying amount	640	1,324	1,964
Cost as at 1 July 2015, net of accumulated amortisation	640	1,324	1,964
Additions	55	1,279	1,334
Amortisation	(110)	(311)	(421)
At 30 June 2016, net of accumulated amortisation	585	2,292	2,877
At 30 June 2016:			
Cost	1,612	3,561	5,173
Accumulated amortisation	(1,027)	(1,269)	(2,296)
Net carrying amount	585	2,292	2,877
30 June 2017			
At 30 June and 1 July 2016:			
Cost	1,612	3,561	5,173
Accumulated amortisation	(1,027)	(1,269)	(2,296)
Net carrying amount	585	2,292	2,877

	Registration and other development expenditure	Course development expenditure	Total
	AUD$'000	AUD$'000	AUD$'000
Cost as at 1 July 2016, net of accumulated amortisation	585	2,292	2,877
Additions	187	1,149	1,336
Amortisation	(105)	(484)	(589)
At 30 June 2017, net of accumulated amortisation	667	2,957	3,624
At 30 June 2017:			
Cost	1,799	4,710	6,509
Accumulated amortisation	(1,132)	(1,753)	(2,885)
Net carrying amount	667	2,957	3,624

The Company amortises intangible assets with a limited useful life using the straight-line method of 7 years for course development expenditure and registration and other development expenditure for the years ended 30 June 2015, 2016 and 2017.

18. DEFERRED TAX

The movements of the Company's deferred tax assets/liabilities during the Relevant Periods are as follows:

(i) Deferred tax assets

	Employee benefits	Accruals	Property, plant and equipment	Others	Total
	AUD$'000	AUD$'000	AUD$'000	AUD$'000	AUD$'000
At 1 July 2014	72	41	—	—	113
Credited to profit or loss	110	4	—	—	114
At 30 June 2015 and 1 July 2015	182	45	—	—	227
Credited/(charged) to profit or loss	66	(1)	57	51	173
At 30 June 2016 and 1 July 2016	248	44	57	51	400
Credited/(charged) to profit or loss	74	90	(45)	201	320
Equity	—	—		46	46
At 30 June 2017	322	134	12	298	766

(ii) Deferred tax liabilities

	Intangible assets	Prepayments	Total
	AUD$'000	AUD$'000	AUD$'000
At 1 July 2014	—	24	24
Charged to profit or loss	135	26	161
At 30 June 2015 and 1 July 2015	135	50	185
Charged/(credited) to profit or loss	197	(32)	165
At 30 June 2016 and 1 July 2016	332	18	350
Charged/(credited) to profit or loss	232	(18)	214
At 30 June 2017	564	—	564

Reflected in the statements of financial position as follows:

	As at 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Deferred tax assets	227	400	766
Deferred tax liabilities	(185)	(350)	(564)
Deferred tax assets, net	42	50	202

19. TRADE RECEIVABLES

	As at 30 June		
	2015	2016	2017
	AUD$'00	AUD$'000	AUD$'000
Trade receivables	—	—	58

The Company's students are required to pay tuition fees in advance for the upcoming semester. The outstanding receivables represents amounts related to training fees. The Company seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned as the Company's trade receivables relate to a large number of students, there is no significant concentration of credit risk. The Company does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the Relevant Periods based on the invoice date is as follows:

	As at 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
1 to 3 months	—	—	58

There have been no impairment losses recognised during the Relevant Periods.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	As at 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Neither past due nor impaired	—	—	58

Receivables of the Company that were neither past due nor impaired relate to students for whom there was no recent history of default.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Non-current assets			
Prepayments	—	2,400	1,700
Lease deposits	203	203	203
	203	2,603	1,903
Current assets			
Prepayments	165	662	1,192
Other receivables	354	205	197
	519	867	1,389

The receivable amounts are interest-free and are not secured with collateral.

The balance of current and non-current prepayments primarily relates to the future service allowance provided by PwC Australia. Further details are included in note 25 (iii).

None of the above assets are either past due or impaired. The financial assets included in the above balances relate to amounts for which there was no recent history of default.

21. CASH AND CASH EQUIVALENTS

	As at 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Cash and bank balances	14,431	15,425	13,514
Time deposits	2,467	2,531	2,586
	16,898	17,956	16,100

Cash and bank balances earn interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one month and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES

	As at 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Agent commissions payable	955	981	1,127

An aged analysis of the trade payables as at the end of the Relevant Periods, based on the payment due date, is as follows:

	As at 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Over two months	955	981	1,127

23. OTHER PAYABLES AND ACCRUALS

	As at 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Current liabilities			
Other payables	491	1,619	1,331
Unpaid leave obligations	550	736	1,004
Other payables and accruals	1,041	2,355	2,335
Non-current liabilities			
Unpaid leave obligations	55	91	69
Accruals for reinstatement cost	—	66	82
Other payables and accruals	55	157	151

Other payables and accruals for reinstatement cost are unsecured, interest-free and have no fixed terms of repayment.

24. DEFERRED INCOME

	As at 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Deferred income	1,497	2,146	2,348

Deferred income represents the amount paid by students at the end of each of the Relevant Periods that relates to the future service provision.

25. ISSUED CAPITAL

	As at 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Authorised, issued and fully paid			
Ordinary shares			
30 June 2015: 750,006			
30 June 2016: 882,360			
30 June 2017: 882,360			
Ordinary shares — fully paid	750	6,250	6,086
Class A shares			
30 June 2015: nil			
30 June 2016: nil			
30 June 2017: 60,154			
Class A shares — fully paid	—	—	2,500
Less: Share issue expenses			
Related to Ordinary shares	—	(164)	—
Related to Class A shares	—	—	(106)
	750	6,086	8,480

A summary of movements in the Company's issued capital is as follows:

	Number of ordinary shares in issue *Note (i)*	**Number of Class A shares** *Note (ii)*	**Total**
			AUD$'000
At 1 July 2014	750,006	—	750
At 30 June 2015 and 1 July 2015	750,006	—	750
Issue of ordinary shares *(note (iii))*	132,354	—	5,336
At 30 June 2016 and 1 July 2016	882,360	—	6,086
Issue of Class A shares	—	60,154	2,394
At 30 June 2017	882,360	60,154	8,480

Notes:

(i) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

(ii) Class A shares

On 26 April 2017, the Company issued a total of 60,154 Class A shares, representing approximately 6.38% of the total number of shares in the issue share capital of the Company.

The key rights of the Class A shares are summarised below:

(a) Dividend and voting rights: equal ranking with ordinary shares of the Company

(b) Disposal restriction: Subject to the requirements of any listing rules applicable to a listing, Class A shares may not be sold until after they have converted into ordinary shares.

(c) Conversion to ordinary shares on a listing or trade sale of the Company. Each Class A share will convert into an ordinary share of the Company on the earlier of (a) 31 December 2020, or (b) five business days prior to the issue of a document of the Company for a listing, or (c) such earlier date determined by the board of directors of the Company in good faith to facilitate a listing or trade sale of the Company.

(iii) Alliance agreement with PricewaterhouseCoopers Nominees (ACT) Pty Ltd ("PwC Nominees")

On 30 May 2016, PwC Nominees purchased a strategic shareholding in the ordinary shares of the Company. The consideration of AUD$5,500,000 for the 132,354 ordinary shares was settled by a cash payment of AUD$2,500,000, and the remainder of AUD$3,000,000 will be settled by way of a future service allowance. The service allowance enables the Company to use and apply for services with PwC Australia. The Company may utilise the service allowance until the end of the year ending 31 March 2023. The amounts of unutilised allowance were AUD$3,000,000 and AUD$2,464,000 as at 30 June 2016 and 30 June 2017 respectively.

26. SHARE-BASED PAYMENTS

CEO's performance rights plan

The Company operates a performance rights scheme (the "Scheme") for the purpose of providing the CEO with incentives and rewards for contributing to the success of the Company's operations. The Scheme became effective in June 2017 and, unless otherwise cancelled or amended, will remain in force for 15 years from that date.

The maximum number of unexercised performance rights currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 7% of the shares of the Company in issue at any time. Any further grant of performance rights in excess of these limits is subject to shareholders' approval in a general meeting.

Performance rights granted to the CEO of the Company, are subject to approval in advance by the directors. Provided the CEO remains employed until the later of the fifth anniversary of the grant of the performance rights or a liquidity event (defined as a listing, a business sale or a share sale in the plan rules) the performance rights will vest.

There is no exercise price payable by the CEO. Performance rights do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The details of the performance rights granted are shown below:

Exercise price	—
Vesting condition	—
Vesting period	8 June 2017 to 7 June 2022
Expiry date	7 June 2032

The following performance rights were outstanding under the Scheme during the Relevant Periods:

	As at 30 June					
	2015		2016		2017	
	Weighted average exercise price AUD$ per share	Number of rights	Weighted average exercise price AUD$ per share	Number of rights	Weighted average exercise price AUD$ per share	Number of rights
Outstanding as at beginning of year	—	—	—	—	—	—
Granted	—	—	—	—	—	[REDACTED]
Forfeited	—	—	—	—	—	—
Exercised	—	—	—	—	—	—
Outstanding as at end of year	—	—	—	—	—	[REDACTED]
Weighted average exercise period		—		—		15 years
Exercisable as at end of year	—	—	—	—	—	—

The fair value of the performance rights is calculated as the value of the ordinary shares in the Company less the present value of the projected dividends over the expected term of the performance rights.

The expected life of the performance rights is based on the historical data over the past years and is not necessarily indicative of the exercise patterns that may occur. No other feature of the performance rights granted was incorporated into the measurement of fair value.

The Company recognised share-based payments of nil, nil and AUD$37,000 for the years ended 30 June 2015, 2016 and 2017, respectively.

As at 30 June 2017, the Company had [REDACTED] performance rights outstanding under the Scheme. The exercise in full of the outstanding performance rights would, under the present capital structure of the Company, result in the issue of [REDACTED] additional ordinary shares of the Company.

	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Expense arising from equity-settled share-based payment transactions	—	—	37

27. LEASE COMMITMENTS

Operating lease commitments

The Company leases office and training room space under non-cancellable operating leases arrangements. Leases for properties are negotiated for terms ranging from one to five years.

During the Relevant Periods, the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Within one year	796	1,018	1,041
In the second to fifth years, inclusive	2,934	2,522	2,577
	3,730	3,540	3,618

28. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the Historical Financial Information, the Company has the following transactions with a related party during the Relevant Periods.

During the year ended 30 June 2017, the Company used AUD$536,000 of the service allowance from PwC.

(b) Compensation of key management personnel of the Company:

Details of key management personnel of the Group are included in note 11 under Section II of this report.

(c) Outstanding balances arising from transactions with key management personnel or entities related to them.

Information on transactions with key management personnel or entities related to them, other than compensation, are set out below.

	As at 30 June		
	2015	2016	2017
	AUD$'000	AUD$'000	AUD$'000
Payables to directors	3	5	80

These balances relate to director fees and are interest-free and expected to be settled within one year.

29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the Relevant Periods are as follows:

	As at 30 June		
	2015	**2016**	**2017**
	AUD$'000	**AUD$'000**	**AUD$'000**
Financial assets classified as loans and receivables			
Trade receivables	—	—	58
Financial assets included in deposits and other receivables	557	408	400
Cash and cash equivalents	16,898	17,956	16,100
	17,455	18,364	16,558
Financial liabilities at amortised cost			
Trade payables	955	981	1,127
Financial liabilities included in other payables and accruals	308	588	1,162
Dividend payable	—	8,889	—
	1,263	10,458	2,289

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, and dividend payables, approximate to their carrying amounts largely due to the short term maturities and insignificant discount rate of these instruments.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and cash equivalents. The Company has various other financial assets and liabilities such as trade payables which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Company's credit risk arises from cash and cash equivalents and deposits with banks.

Services to students are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk through exposure to individual students.

The credit risk of the Company's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Company's exposure to credit risk arising from trade receivables are disclosed in note 19 under Section II of this report.

Liquidity risk

The Company monitors its risk to a shortage of funds using its level of cash and cash equivalents. The Company's management reviews the level of cash and cash equivalents monthly to ensure that sufficient working capital is kept for the Company's operation.

The maturity of the Company's financial liabilities as at the end of the Relevant Periods, based on contractual undiscounted payments, is as follows:

	On demand	Within 1 year	1 to 5 years	Total
	AUD$'000	AUD$'000	AUD$'000	AUD$'000
At 30 June 2015				
Trade payables	955	—	—	955
Financial liabilities included in other payables and accruals	308	—	—	308
	1,263	—	—	1,263
At 30 June 2016				
Trade payables	981	—	—	981
Financial liabilities included in other payables and accruals	522	—	66	588
Dividend payable	8,889	—	—	8,889
	10,392	—	66	10,458
At 30 June 2017				
Trade payables	1,127	—	—	1,127
Financial liabilities included in other payables and accruals	1,080	—	82	1,162
	2,207	—	82	2,289

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

32. SUBSEQUENT EVENTS

[The Share Sub-division became effective on [●]].

33. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company in respect of any period subsequent to 30 June 2017.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1. INCORPORATION AND [REDACTED]

Our Company was incorporated on 2 October 2001 as an Australian proprietary company. On 12 October 2017, our Company converted from a proprietary company into a public company limited by shares.

2. CONSTITUTION

Our Constitution, which comprises the Articles, was conditionally adopted on [●] and will become effective on the [REDACTED].

3. SHARE CAPITAL

The issued capital of our Company as at the Latest Practicable Date was [REDACTED] Shares. All Shares have no nominal or par value (such concepts do not exist under Australian law) and are recorded in the accounts of our Company at their respective issue prices.

4. CLASSES OF SHARES

Pursuant to our Constitution, our Company may issue shares in different classes, on different terms and with different rights and restrictions attaching to shares. However, our Company currently only has ordinary Shares on issue.

5. OPTIONS

Pursuant to the Australian Corporations Act and our Constitution, our Company may grant options over unissued shares in our Company.

6. CAPITAL RAISING

Our Constitution permits our Company to raise additional capital. Any capital raising must be conducted in compliance with the Australian Corporations Act, which relevantly includes provisions such as disclosure requirements relating to fundraising.

7. PRE-EMPTIVE RIGHTS ON NEW ISSUES OF SHARES

Under the Australian Corporations Act, Shareholders do not have any right to be offered any Shares which are being newly issued for cash before those Shares can be offered to non-Shareholders.

8. ALTERATION OF CAPITAL

In accordance with the Australian Corporations Act, our Company may by ordinary resolution convert all or any of the Shares into a larger or smaller number of shares. Subject to compliance with the Australian Corporations Act, our Company may reduce its share capital.

9. BUY-BACKS

Subject to compliance with the Australian Corporations Act, our Company may buy back its own Shares.

10. DIRECTOR SHAREHOLDINGS

Our Directors are not required to hold any Shares under the Australian Corporations Act or our Constitution.

11. OBJECTS

Our Company does not have an objects article in our Constitution because an Australian company is not required to have an objects article. Pursuant to section 124 of the Australian Corporations Act, our Company has the legal capacity and powers of an individual and all powers of a body corporate.

12. VOTING RIGHTS

All Shareholders of our Company — irrespective of where they are resident and including those acting and registered as a nominee of a person beneficially interested in any of the Share — are permitted to appoint proxies/corporate representatives.

The Australian Corporations Act states that:

- a member of our Company who is entitled to attend and cast a vote at a meeting of our members may appoint any person or corporate representative as that member's proxy to attend and vote for that member at the meeting; and
- a proxy appointed to attend and vote for a member has the same rights as the member that appointed that proxy, to speak and vote at the meeting and join in a demand for a poll.
- Articles 16 and 17 of our Constitution contain practical rules about entitlements to attend and vote (including by proxy) which reflect the above statutory position.

13. DIVIDENDS

Under the Australian Corporations Act, our Company must not pay a dividend unless:

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

Our Directors may determine that a dividend is payable and fix:

- the amount;
- the time for payment;
- the method of payment; and
- if some or all of the dividend is to be paid by distributing assets, what those assets are.

Our Directors, when paying or declaring a dividend, may direct payment of the dividend wholly or partly by distribution of specific assets, including fully-paid shares in, or debentures of, our Company and any other corporation.

All dividends declared but unclaimed may be invested by our Directors for the benefit of our Company until claimed or dealt with under any law relating to unclaimed money.

Our Constitution provides in Article 30.13(b) that the power to forfeit unclaimed dividends shall not be exercised until 6 years or more after the date of declaration of the dividend.

14. DISTRIBUTION OF ASSETS ON A WINDING-UP

If our Company is wound up, the assets available for distribution among the members of our Company shall be distributed amongst those members entitled to assets in proportion to the Shares held by them respectively and taking into account the amounts paid up on the Shares.

15. TRANSFER OF SHARES

Subject to our Constitution, a member may transfer all or any of the Shares held by that member by instrument in writing. Article 9.1 of our Constitution provides that except where permitted by the Stock Exchange of Hong Kong Limited, there is no restriction on the transfer of Shares.

16. VARIATION OF RIGHTS

If at any time the issued Shares are divided into different classes, the rights attached to any class of Shares may only be varied or cancelled with either:

- the consent in writing of the holders of 75% of the issued Shares of that class; or
- the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class.

17. POWERS OF OUR DIRECTORS

Under our Constitution, our Board may exercise all the powers to manage the business of our Company and, except as required by the Australian Corporations Act and our Constitution, may exercise each right, power or capacity of our Company to the exclusion of our Company in general meeting and the members.

Unissued Shares are under the control of our Board which may on behalf of our Company, allot, issue, grant options over or otherwise dispose of them to persons, on the terms and conditions, with the rights and privileges, and at the times, that the Board determines.

18. REMUNERATION OF DIRECTORS

Remuneration of the non-executive directors (other than a "Managing Director" or an executive director) may be paid as remuneration for their services. The maximum amount of such remuneration is determined from time to by our Company in a general meeting.

19. INDEMNITY

To the extent that it is permitted to do so under the Australian Corporations Act, our Company must indemnify any current or former Director, officer, auditor and agent of our Company (the "**Officer**") or a related body corporate of our Company, out of the property of the Company, against any liability which that Officer may incur because of being an Officer or in carrying out the business or exercising the powers of our Company.

This indemnity applies except to the extent that:

- our Company is forbidden by law to indemnify the person against the liability or legal costs; or
- an indemnity by our Company of the person against the liability or legal costs, if given, would be made void by law.

20. DIRECTORS' INTERESTS IN MATTERS

Each Director must declare and disclose a material interest to our Board as required by the Australian Corporations Act at the first meeting of our Board after our Director becomes a Director or our Director becomes aware of the facts give rise to the material interest.

21. RESTRICTIONS ON DIRECTORS VOTING

A Director (including any Alternate Director) who has a material personal interest (directly or indirectly) in a matter that is being considered at a meeting of our Directors will only be excluded or prohibited from voting on the matter, being counted in a quorum for the purposes of the meeting or being present while the matter is being considered, if the Director is so prohibited or excluded under the Australian Corporations Act.

This is unless the matter being considered relates to any contract or arrangement or any other proposal in which the Director or any of his or her close associates has a material personal interest, in which case such Director (including any Alternate Director) will be excluded from voting on that matter and being counted in a quorum for the purposes of that meeting.

22. NUMBER OF DIRECTORS

The number of Directors must be such number not less than three. Our Constitution does not currently set any maximum limit on the number of Directors.

23. DIRECTORS' APPOINTMENT

The Shareholders may by ordinary resolution:

- appoint new Directors;
- increase or reduce the maximum number of Directors;
- remove any Director before the end of his or her term of office; and
- appoint another person in place of a Director who has been removed from office and the replacement Director shall hold office for the term for which the Director who has been replaced would have held office if that Director had not been replaced.

Our Directors may appoint any person as a Director either to fill a casual vacancy or as an addition to their number, provided that any person appointed by the Directors to fill a casual vacancy on or as an addition to the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

24. REMUNERATION OF EXECUTIVE DIRECTORS

Article 19.5 of our Constitution provides that the remuneration of a managing director or of a Director occupying an executive position in our Company may from time to time be fixed by the Directors.

25. GENERAL MEETINGS

In accordance with the Australian Corporations Act, our Company must hold an annual general meeting at least once every calendar year, and within the period of 5 months after the end of the financial year. A general meeting can be held at such place as may be determined by the Board.

A general meeting of our Company may also be convened by our Directors or Shareholders, subject to our Constitution and the Australian Corporations Act.

26. REDUCTIONS OF CAPITAL

An ordinary resolution of Shareholders is required for an equal reduction of capital. A reduction of capital is an equal reduction of capital if:

- it relates only to ordinary Shares; and
- it applies to each holder of ordinary Shares in proportion to the number of ordinary Shares he/she/it holds; and

- the terms of the reduction are the same for each holder of ordinary Shares.

Any other reduction of capital is a selective reduction. A special resolution of Shareholders is required for a selective reduction of capital.

27. REDEEMABLE SHARES

Our Company may issue preference shares in accordance with the Australian Corporations Act and our Constitution. Our Company may only redeem redeemable preference shares:

- on the terms on which they were issued; and
- if the shares are fully paid-up and out of profits or the proceeds of a new issue of shares made for the purpose of redemption.

Our Company does not currently have any preference shares on issue.

28. BORROWING POWERS OF OUR COMPANY

Under Article 20.7 of our Constitution, the Directors may exercise all the powers of our Company to:

(a) borrow money and to mortgage or charge its undertaking, assets and uncalled capital or any part of it; and

(b) issue debentures, debenture stock and other securities whether outright or as security for any debt, contract, guarantee, engagement, obligation or liability of our Company or of any third party,

in each case, on such terms and conditions as the Directors think fit.

29. FINANCIAL ASSISTANCE

Financial assistance by the Company for the acquisition of our Company's own Shares is generally prohibited, except with Shareholder approval by special resolution (and the required prior notice is given to the Australian Securities & Investments Commission) or where an exception applies. Section 260A(1) of the Australian Corporations Act allows financial assistance in certain circumstances, including if it does not materially prejudice:

- the interests of our Company or our Shareholders; or
- our Company's ability to pay its creditors.

30. STATUTORY DERIVATIVE ACTIONS

Section 236(1) of the Australian Corporations Act provides that a person may, among other matters, bring proceedings on behalf of a company, or intervene in proceedings to which the company is party, for the purpose of taking responsibility on behalf of the company for those proceedings or for a particular step in those proceedings if both of the following conditions are met:

- the person is a member (or former member), person entitled to be registered as a member of the company (or its related body corporate) or an officer (or former officer) of the company; and
- an Australian court grants that person leave to bring those proceedings or intervene in those proceedings under section 237 of the Australian Corporations Act.

An Australian court must grant such leave if it is satisfied that:

- it is probable that our Company will not itself bring the proceedings;
- the applicant is acting in good faith;
- it is in the best interests of our Company that the applicant be granted leave;
- there is a serious question to be tried; and
- either at least 14 days' written notice has been given to our Company of the intention to apply for leave or it is appropriate to grant leave.

31. PROTECTION OF MINORITIES

A Shareholder may apply for a court order where the conduct of our Company's affairs is, among other things, oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a Shareholder or Shareholders. The orders that may be sought include winding up, amendment to our Constitution, orders regulating the conduct of our Company's affairs, orders for the purchase of shares, orders that our Company institute, defend or discontinue specified proceedings, and other similar orders.

32. DISPOSAL OF ASSETS

The Australian Corporations Act contains no specific restrictions on the powers of directors to dispose of the assets of a company. However, in exercising those powers, the directors must discharge their duties of care to act in good faith, for a proper purpose and in the best interests of our Company as required under directors' duties in Chapter 2D of the Australian Corporations Act and fiduciary obligations under general law in Australia.

Our Company cannot give a financial benefit to a related party of our Company without Shareholder approval, unless one of the exceptions specified in Chapter 2E of the Australian Corporations Act applies. A related party is defined in section 228 of the Corporations Act, which includes a director of TOP or a person or entity related to a director.

33. ACCOUNTING AND AUDITING REQUIREMENTS

A copy of our Directors' report, accompanied by the financial report and the auditor's report shall be laid before the annual general meeting of Shareholders for the last financial year ended before the annual general meeting.

34. REGISTER OF MEMBERS

Our Company must keep a register of its members. The register must contain, among other matters, the following information:

- the member's name and address; and
- the date on which the entry of the member's name in the register is made.

35. INSPECTION OF BOOKS AND RECORDS

No member is entitled to require discovery of, inspection of, or any information concerning the affairs of our Company, except as provided by the Australian Corporations Act or as permitted by the Board.

On application by a Shareholder, an Australian court may make an order:

- authorising the applicant to inspect books of our Company; or
- authorising another person to inspect books of our Company on the applicant's behalf.

36. SPECIAL RESOLUTIONS

The Australian Corporations Act provides that a resolution is a special resolution when it has been passed by a majority of not less than 75% of the votes cast by members entitled to vote on the resolution.

37. RECONSTRUCTIONS

There are statutory provisions under Australian law which facilitate certain reconstructions and amalgamations approved by:

- a majority in number of the members present and voting; and
- 75% of the votes cast on the resolution.

Such reconstructions or amalgamations must also be approved by order of an Australian court.

38. WINDING UP

Our Company may be wound up either by an order of an Australian court or voluntarily deregistered by a special resolution of its members.

39. TAKEOVER REGULATION

The takeovers provisions in Chapter 6 of the Australian Corporations Act apply to certain dealings in the Shares. Those provisions apply to listed companies and unlisted companies with more than 50 members.

The Australian Corporations Act prohibits a person acquiring a "relevant interest" (basically power to vote or dispose of the share) in the voting shares in a company incorporated in Australia to which Chapter 6 of the Australian Corporations Act applies if, as a result, the "voting power" of the acquirer (or any other person) would:

- increase from 20% or below to more than 20%; or
- increase their voting power if that person already holds more than 20% but less than 90% of the voting power in that company.

This is unless an exception applies. These exceptions include acquisitions:

- under a formal takeover offer in which all Shareholders can participate;
- with the approval of our Shareholders given at a general meeting of our Company; and
- in 3% increments every six months (provided that the acquirer has had voting power of at least 19% in the target company for at least six months).

A person who has made a takeover bid where at the end of the offer period that person (and its associates) have a relevant interest in 90% of the issued shares and acquired 75% (by number) of shares held by other shareholders, may compulsorily acquire any remaining shares it does not hold at the same price offered under the bid, within one month after the end of the offer period. Even if a takeover bid has not been made, a person who otherwise lawfully acquires a relevant interest in 90% of the issued shares is able to acquire the remaining shares for fair value (confirmed by an independent expert), within six months after the person first acquires an interest in 90% of the issued shares.

Under the Australian Foreign Acquisition and Takeovers Act 1975 (Cth) and accompanying regulations, proposed acquisitions by foreign persons may require the prior approval of the Australian Foreign Investment Review Board.

40. GENERAL

Deutsch Miller, our Company's legal adviser as to the Australian laws, has sent to our Company a letter of advice summarising certain aspects of the Australian Corporations Act. This letter is available for inspection as referred to in "Appendix V — Documents delivered to the Registrar of Companies in Hong Kong and available for inspection" to this document. Any person wishing to have a detailed summary of the Australian Corporations Act or advice on the differences between it and the laws of any other jurisdiction is recommended to seek independent legal advice.

41. SHAREHOLDERS PROTECTIONS

Our Company was incorporated in Australia and is subject to the Australian Corporations Act and other applicable laws and regulations in Australia. Set out below is a discussion on the key shareholders' protection standards offered under our Constitution and the Australian laws and regulations that we consider material to our Shareholders and potential investors and as required under the Joint Policy Statement.

Matters requiring a Super-Majority Vote

The Joint Policy Statement requires the following matters to be approved by a super-majority vote of the shareholders:

- changes to the rights attached to any class of shares of an overseas company (vote by members of that class);
- material changes to an overseas company's constitutive documents, however framed; and
- voluntary winding up of an overseas company.

Under the Australian Corporations Act, there is a "special resolution" voting threshold for certain matters, which is effectively a 75% approval threshold. Under the Australian Corporations Act and our Constitution, a special resolution of members is required to approve:

- changes to the rights attached to any class of shares;
- any modification to, or repeal of, our Constitution; and
- where our Company is being wound up by the Court or voluntarily.

Meanings of a Super-Majority Votes

The Joint Policy Statement requires a super-majority vote to mean at least a two-third majority where an overseas company has a low quorum requirement. When an overseas company's threshold for deciding the matters in the paragraph headed "Matter requiring a super-majority vote" above is a simple majority only, these matters must be decided by a significantly higher quorum.

Under section 9 of the Australian Corporations Act, a special resolution means a resolution of which notice has been given in accordance with certain prescribed rules and that ii has been passed by at least 75% of the votes cast by members entitled to vote on that resolution.

Variation of rights

Our Constitution provides that a special resolution or the consent in writing of 75% of those in a class is required to approve a variation of rights of that class of shares. Our Constitution also provides that a quorum of shareholders who hold at least one third of the issued shares of the relevant class of shares present in person or by proxy and entitled to vote is required to form a quorum of all general meetings of that class.

Changes to our Constitution

Section 136(2) of the Australian Corporations Act and our Constitution provides that a special resolution of Shareholders is required for any modification to, or repeal of, our Constitution.

Winding-up

A special resolution of members of our Company is required to approve (i) winding-up by the court under section 461(1)(a) of the Australian Corporations Act or (ii) voluntary winding-up under section 491(1) of the Australian Corporations Act.

In addition, if our Company is wound up, Article 35.2 of our Constitution provides that a liquidator may (with the sanction of a special resolution of the members of our Company):

- divide among the members in kind all or part of the assets of the Company;
- set such value as the liquidator deems fair on any asset to be dividend;
- determine how the division shall be carried out as between the members or different classes of members; and/or
- vest the whole or part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.

Individual Members to Approve Increase in Members' Liability

The Joint Policy Statement requires that there should not be any alteration in an overseas company's constitutional document to increase an existing member's liability to the company unless such increase is agreed by such member in writing.

Under section 140(2)(b) of the Australian Corporations Act, unless a member of our Company agrees in writing to be bound, that member will not be bound by any alteration of our Constitution made after the date on which they became a member, if and to the extent that that alteration increases the member's liability to contribute to the share capital of, or otherwise to pay money to, our Company.

Appointment of Auditors

The Joint Policy Statement requires that the appointment, removal and remuneration of auditors must be approved by a majority of an overseas company's members or other body that is independent of the board of directors, for example the supervisory board in systems that have a two tier board structure. Australian law does not require two tier board structures.

Appointment

Section 327B(1) of the Australian Corporations Act provides that a company must appoint an auditor at its first annual general meeting and must appoint an auditor to fill any vacancy in the office of auditor at each subsequent annual general meeting. Appointments are made by way of a resolution passed by a simple majority of members.

Removal

Section 329(1) of the Australian Corporations Act provides that an auditor of the company may be removed by simple majority resolution of the members of a company at a general meeting, provided notice of intention to move the resolution is given to the company at least two months before the meeting.

Remuneration

Section 250R(1) of the Australian Corporations Act provides that the business of an annual general meeting may include the consideration of the annual financial report, directors' report and auditor's report, the election of directors, the appointment of the auditor, and the fixing of the auditor's remuneration. However, there is no requirement under the Australian Corporations Act for the auditor's remuneration to be approved by a majority of members. It is a matter for the board of directors under Australian law.

Annual General Meetings

The Joint Policy Statement requires that an overseas company is required to hold a general meeting each year as its annual general meeting. Generally, not more than 15 months should elapse between the date of one annual general meeting of the overseas company and the next.

Section 250N of the Australian Corporations Act provides that our Company must hold an annual general meeting at least once in each calendar year and within five months after the end of its financial year.

Notice of General Meetings

The Joint Policy Statement requires that an overseas company must give its members reasonable written notice of its general meetings.

Section 249H(2) of the Australian Corporations Act provides that our Company must give at least 28 days' notice of a meeting of members. However, our Company may call, on shorter notice, (i) an annual general meeting, if all the members entitled to attend and vote at the annual general meeting agree beforehand; and (ii) any other general meeting, if members with at least 95% of the votes that may be cast at the meeting agree beforehand.

However, our Company cannot call an annual general meeting or other general meeting on shorter notice if it is a meeting at which a resolution will be moved to remove or appoint a director or remove an auditor). Written notice of a meeting of a company's members must be given individually to each member entitled to vote at the meeting and to each director. Notice need only be given to one member of a joint membership. Notice to joint members must be given to the joint member named first in the register of members.

Rights to speak and vote at the General Meetings

The Joint Policy Statement requires that all members must have the right to speak and vote at a general meeting, except in cases where a member is required by the Hong Kong Listing Rules to abstain from voting to approve the transaction or arrangement (e.g. the member has a material interest in the transaction or arrangement).

Under the Australian Corporations Act, written notice of a meeting of a company's members must be given individually to each member entitled to vote at the meeting and to each director. A notice of meeting must set out, among other things, the time, date and place of the meeting and the general nature of the meeting's business. Section 250 of the Australian Corporations Act also provides that the chair at an annual general meeting must allow reasonable opportunity for the members as a whole at the meeting to ask questions about or make comments on the management of the company.

Proxies or Corporate Representatives

The Joint Policy Statement requires that a recognised Hong Kong clearing house must be entitled to appoint proxies or corporate representatives to attend general meetings and creditors meetings. These proxies/corporate representatives should enjoy statutory rights comparable to those of other shareholders, including the right to speak and vote.

The Australian Corporations Act does not contain any provision to the effect that a recognised clearing house would be prohibited from appointing proxies/corporate representatives. Article 17.1(b) of our Constitution expressly gives Hong Kong Securities Clearing Company Limited the right to appoint a proxy.

Our Constitution also provides that any voting member shall be entitled to appoint another person as his proxy to attend a general meeting and vote instead of him or her at that meeting. A voting member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARY

1. Incorporation

Our Company was incorporated in Australia under the Australian Corporations Act with limited liability on 2 October 2001. Our Company has established a place of business in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●] 2017. Ms. Yuk Yin Ivy Chow of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong has been appointed as the authorised representative of our Company for the acceptance of service of process in Hong Kong.

As our Company was incorporated in Australia, it operates subject to relevant Australian laws, including the Australian Corporations Act and its Constitution. A summary of our Constitution and a summary of the relevant aspects of the Australian Corporations Act are set out in Appendix III to this document.

On 12 October 2017, our Company was converted into a public company limited by shares under the laws of Australia and our Company was renamed "Top Education Group Ltd" with immediate effect on the date of conversion.

2. Changes in the Share Capital of our Company

The changes in the share capital since the date of our Company's incorporation are disclosed in the section "History, Reorganisation and Company Structure".

Immediately following the completion of the [REDACTED] and without taking into account of any Shares which may be issued upon the exercise of the [REDACTED] and any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan, the issued share capital of our Company will be [REDACTED] Shares, all fully paid or credited as fully paid.

Save for the above and as mentioned in the paragraph headed "— 4. Resolutions in writing of our Shareholders passed on [●] 2017" below, there has been no alteration in the share capital of our Company since its incorporation and have been no changes in the share capital of our Company within the two years preceding the date of this document.

3. Resolutions in Writing of our Shareholders passed on [●] 2017

Pursuant to the resolutions in writing of our Shareholders passed on [●] 2017:

(a) conditional on (i) the [REDACTED] granting the [REDACTED] of, and permission to deal in, our Shares in issue, the Shares to be issued pursuant to the [REDACTED] and our Shares to be issued as mentioned in this document (including any Shares which may be issued pursuant to the exercise of the [REDACTED] or any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan); (ii) the entering into of the agreement on the [REDACTED] among our Company and the [REDACTED] (for itself and on behalf of the

[REDACTED]) on the [REDACTED]; and (iii) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the [REDACTED]:

(i) the [REDACTED] (including the [REDACTED]) was approved and our Directors were authorised to allot and issue the [REDACTED] pursuant to the [REDACTED]; and

(ii) the [REDACTED] was approved and our Directors be authorised to effect the same and to allot and issue such number of Shares upon the exercise of the [REDACTED];

(b) the share split of the issued share capital of our Company held by the members of our Company by way of sub-division and designation of each Share into 2,000 fully-paid Shares in the capital of our Company was approved;

(c) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Constitution, or under the [REDACTED], or issue of Shares upon exercise of rights of subscription or conversion attaching to any warrants of our Company or any securities which are convertible into Shares, Shares with an aggregate number of not exceeding the sum of (aa) 20% of the total number of Shares in issue immediately following completion of the [REDACTED] but excluding (where applicable) any Shares which may be issued pursuant to the exercise of the [REDACTED] and without taking into consideration any Shares to be issued upon the vesting of the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan) and (bb) the number of Shares which may be purchased by our Company pursuant to the authority granted to the Directors as referred to in paragraph (d) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Constitution or the Australian Corporations Act to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first;

(d) a general unconditional mandate ("**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to purchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognised by the SFC and the Stock Exchange for this purpose Shares with an aggregate number of not exceeding 10% of the total number of Shares in issue immediately following completion of the [REDACTED] but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Constitution or the Australian Corporations Act to be held, or the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority given to the Directors, whichever occurs first;

(e) the general unconditional mandate as mentioned in paragraph (c) above was extended by the addition to the aggregate number of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors under such general mandate of an amount representing the aggregate number of the Shares purchased by our Company under the Repurchase Mandate referred to in paragraph (d) above;

(f) the [REDACTED] Performance Rights Plan, the principal terms of which are set out in "— E. [REDACTED] Performance Rights Plan" below, were approved and adopted and our Directors or any committee established by our Board was authorised, at their sole discretion, to (aa) administer the [REDACTED] Performance Rights Plan; (bb) modify/amend the [REDACTED] Performance Rights Plan from time to time as required by the Stock Exchange; (cc) grant performance rights to subscribe for Shares under the [REDACTED] Performance Rights Plan up to the limits referred to in the [REDACTED] Performance Rights Plan; (dd) allot, issue and deal with the Shares pursuant to the exercise of any of the Performance Rights which may be granted under the [REDACTED] Performance Rights Plan; (ee) make application at the appropriate time or times to the Stock Exchange for the [REDACTED] of, and [REDACTED], any Shares or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the Performance Rights granted under the [REDACTED] Performance Rights Plan; and (ff) take all such actions as they consider necessary, desirable or expedient to implement or give effect to the [REDACTED] Performance Rights Plan; and

(g) the Constitution were approved and adopted and effective on the [REDACTED].

4. Repurchase of our Shares

(a) Relevant legal and regulatory requirements

The Listing Rules permit our Shareholders to grant to our Directors a general mandate to repurchase the Shares that are [REDACTED] on the Stock Exchange. The mandate is required to be given by way of an ordinary resolution passed by the Shareholders in a general meeting.

(b) Shareholders' approval

All proposed repurchases of Shares (which must be fully paid up) must be approved in advance by ordinary resolutions of the Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the resolutions in writing passed by all Shareholders on [●] 2017, our Directors were granted a general unconditional mandate to repurchase up to 10% of the total number of Shares in issue immediately following the [REDACTED] (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan) on the Stock Exchange or on any other stock exchange on which our Company's securities may be [REDACTED] and which is recognised by the SFC and the Stock Exchange for this purpose. Such mandate will expire at the earliest of (i) the conclusion of our Company's next annual general meeting; (ii) the date by which our Company's next annual general meeting is required by the Constitution or the Australian Corporations Act to be held; or (iii) such mandate being revoked or varied by ordinary resolutions of the Shareholders in a general meeting ("**Relevant Period**").

(c) Source of funds

Our Company's repurchase of the Shares [REDACTED] on the Stock Exchange must be funded out of funds legally available for the purpose in accordance with the Constitution, the [REDACTED] Rules and the applicable laws of Australia. Our Company may not repurchase the Shares on the Stock Exchange for consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Company may make repurchases out of the profit or out of the proceeds of a fresh issue of Shares for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be out of profits of our Company or out of our Company's share premium account. If authorised by the Constitution and subject to the Australian Corporations Act, repurchase may also be made out of capital.

(d) Reasons for repurchases

Our Directors believe that it is in our Company's and its Shareholders' best interests for our Directors to have general authority to execute repurchases of the Shares in the market. The repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made where our Directors believe that the repurchases will benefit our Company and its Shareholders.

(e) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Constitution, the Listing Rules and the applicable laws of Australia. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise in accordance with the trading rules of the Stock Exchange from time to time.

On the basis of the current financial position of our Company as disclosed in this document and taking into account the current working capital position of our Company, our Directors believe that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Company as compared with the position disclosed in this document. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(f) Share capital

The exercise in full of the current Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately after the [REDACTED] (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan), could accordingly result in up to [REDACTED] Shares being [REDACTED] by our Company during the Relevant Period.

(g) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any of the Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Constitution, the Australian Corporations Act and any other applicable laws of Australia.

If, as a result of any repurchase of our Shares, a Shareholder's proportionate interest in our Company's voting rights is increased, the increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code.

No connected person of our Company has notified our Company that he or it has a present intention to sell his or its Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR COMPANY

1. Summary of Material Contracts

Our Company has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this document that are or may be material:

(a) the Subscription Agreement dated 27 April 2016 between our Company and PwC Nominees pursuant to which PwC Nominees subscribed for a total of 132,354 shares representing 15% of the then total issued share capital of TOP at AUD$5,500,000;

(b) the Alliance Agreement dated 27 May 2016 between our Company and PwC Australia pursuant to which the parties agreed to form a strategic alliance arrangement;

(c) the invitation letters dated 24 April 2017 issued by our Company to the Third Round [REDACTED] Investors and the completed schedules from each of the Third Round [REDACTED] Investors pursuant to which they applied for an aggregate of 60,154 Class A Shares;

(d) the Deed of Indemnity;

(e) the Deed of Non-Competition; and

(f) the [REDACTED].

2. *Intellectual Property Rights*

(a) As at the Latest Practicable Date, we had applied for the registration of the following trademark in the following jurisdictions:

Trademark	Registered owner	Place of application	Class	Application number	Filing date
	Top Education Group Ltd	Australian and Hong Kong	9, 16, 35, 39, 41, 42, 43 and 45	1849958	6 June 2017

(b) As at the Latest Practicable Date, we had registered the following domain names:

Domain names	Name of Registered owner	Expiry date
top.edu.au	Top Education Group Ltd	19 July 2019
scl.edu.au	Top Education Group Ltd	18 March 2018
scsb.edu.au	Top Education Group Ltd	18 March 2018

(c) As at the Latest Practicable Date, we had registered the following business names:

Business names	Name of Registered owner	Expiry date
Top Education Institute	Top Education Group Ltd	5 December 2017
Sydney City School of Business	Top Education Group Ltd	14 April 2018
Sydney City Business School	Top Education Group Ltd	14 April 2018
Sydney City School of Law	Top Education Group Ltd	14 April 2018
Sydney City Law School	Top Education Group Ltd	14 April 2018
Australian Institute of Management & Accounting	Top Education Group Ltd	18 August 2020

Save as disclosed above, there are no other trade or service mark, patents, other intellectual or industrial property rights which are or may be material to the business of our Company.

C. DISCLOSURE OF INTERESTS

1. Disclosure of Interests

(a) Interests and short positions of our Directors in the share capital and the associated corporations following the completion of the [REDACTED]

Immediately following completion of the [REDACTED] (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan), the interests of our Directors and chief executives in the equity or debt securities of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, under section 352 of the SFO, to be entered in the register referred to in that section, or under the Listing Rules, to be notified to our Company and the Stock Exchange, in each case, once the Shares are [REDACTED] will be as follows:

Name of Director/ Chief Executive	Capacity/ Nature of Interest	Number of Underlying Shares *(Note 1)*	Percentage of shareholding immediately following the completion of the [REDACTED] *(Note 2)*
Dr. Zhu *(Note 3)*	Beneficial owner; interest held jointly with other persons	[REDACTED]	[REDACTED]
Mr. Lee *(Note 3)*	Beneficial owner; interest held jointly with other persons	[REDACTED]	[REDACTED]
Mr. Wang Weiping *(Note 4)*	Interested in a controlled corporation	[REDACTED]	[REDACTED]
Mr. Thomas Richard Seymour *(Note 5)*	Interest in a controlled corporation	[REDACTED]	[REDACTED]
Mr. Kai Zhang (as alternate Director to Mr. Thomas Richard Seymour)	Beneficial owner	[REDACTED]	[REDACTED]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] (but without taking into account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan).

(3) The members of the Controlling Shareholders Group are parties acting in concert and on 13 October 2017, they entered into a confirmation deed to, among others, confirm that they have been acting together with an aim to achieving decisions at general meetings of our Company on a unanimous basis. Members of the Controlling Shareholders Group are our founding Shareholders or had invested in our Company at an early stage. Immediately following completion of the [REDACTED] and assuming that the [REDACTED] is not exercised at all and without taking into consideration any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan, all the members of the Controlling Shareholders Group will together control approximately [REDACTED] of the total share capital of our Company. Under the SFO, each of Dr. Zhu and Mr. Lee is deemed to be interested in the Shares beneficially owned by the other members of the Controlling Shareholders Group.

(4) Mr. Wang Weiping holds 40% of the issued share capital of Loyal Creation, which holds [REDACTED] Shares, and accordingly, Mr. Wang Weiping is deemed to be interested in [REDACTED] Shares held by Loyal Creation by virtue of the disclosure requirements of the SFO.

(5) Mr. Thomas Richard Seymour controls more than one-third of the voting rights of TD Seymour Pty Ltd (ACN 609 660 139). As such, Mr. Thomas Richard Seymour is deemed to be interested in [REDACTED] Shares held by TD Seymour Pty Ltd (ACN 609 660 139).

(b) Interests and short positions of our substantial Shareholders in the share capital and the associated corporations following the completion of the [REDACTED]

(i) Interests in our Company

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors are not aware of any other person, not being a Director or chief executive of our Company, who will have an interest or short position in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company immediately following completion of the [REDACTED] (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any Shares to be issued upon the vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan and the [REDACTED] Performance Rights Plan).

D. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Directors' Service Contracts

Each of our Directors has entered into a service contract or an appointment letter (as the case may be) with our Company for an initial fixed term of [three] years commencing on the [REDACTED] which may only be terminated in accordance with the provisions of the service contract or the appointment letter (as the case may be) or by (i) our Company giving to any Director not less than three months' prior notice in writing or (ii) by any Director giving to our Company not less than one month's prior notice in writing.

Each of our Directors is entitled to the respective basic salary under their respective service contracts or appointment letters set out below. [Our Directors may also be entitled to a discretionary bonus.] A Director may not vote on any resolution regarding the increment of annual salary and the amount of the discretionary bonus payable to him or her.

The current basic annual directors' fee of our Directors under the current service contracts or appointment letters with our Company are as follows:

Name	Annual Amount
	HK$
Dr. Minshen Zhu	[806,000]
Ms. Sumeng Cao	[806,000]
Mr. Amen Lee	[496,000]
Mr. Thomas Richard Seymour	[496,000]
Mr. Jing Li	[496,000]
Mr. Brian Stoddart	[500,000]
Mr. Steven Schwartz	[500,000]
Mr. Tianye Wang	[250,000]
Mr. Weiping Wang	[250,000]

Our Company has not entered or proposed to enter into any service contract or appointment letter with our Directors which is for a duration exceeding three years or which is not determinable by our Company within one year without payment of compensation (other than statutory compensation).

2. Directors' Remuneration during the Track Record Period

For each of the financial years ended 30 June 2015, 2016 and 2017, the aggregate amount of the remuneration paid and benefits in kind granted to our Directors (of which, only Dr. Zhu, Mr. Amen Lee and Mr. Jing Li received such remuneration) was approximately AUD$279,000, AUD$1,613,000 and AUD$455,000, respectively.

Save as disclosed above, no other emoluments have been paid or are payable, in respect of each of the financial years ended 30 June 2015, 2016 and 2017 by our Company.

Under the arrangements currently in force, our Company estimates that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors (excluding any salary and discretionary bonus) for the financial year ending 30 June 2018 will be approximately HK$[4.6] million.

3. Agency Fees or Commissions Received

Save as disclosed in this document, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Company within the two years preceding the date of this document.

4. Disclaimers

Save as disclosed in this document:

(a) none of our Directors or chief executives has any interest or short position in our Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies once our Shares are [REDACTED];

(b) none of the persons referred to in the section headed "G. Other Information — 7. Consents" in this Appendix has any shareholding in our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company;

(c) none of our Directors or the experts referred to in the section headed "— G. Other Information — 7. Consents" in this Appendix has any direct or indirect interest in the promotion of our Company or our subsidiary, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Company, or are proposed to be acquired or disposed of by or leased to any member of our Company;

(d) none of our Directors or the experts referred to in the section headed "— G. Other Information — 7. Consents" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Company taken as a whole;

(e) none of our Directors has any existing or proposed service contracts with any member of our Company (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(f) taking no account of Shares which may be taken up under the [REDACTED], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED], have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Company; and

(g) so far as is known to our Directors, as at the Latest Practicable Date, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Company.

E. [REDACTED] PERFORMANCE RIGHTS PLAN

The following is a summary of the principal terms of the [REDACTED] Performance Rights Plan we adopted on 8 June 2017:

Summary of Terms

1. Purposes of the [REDACTED] Performance Rights Plan

The [REDACTED] Performance Rights Plan creates a long-term incentive framework aimed at creating a stronger link between our Company and the Eligible Persons (defined below), whilst increasing shareholder value.

2. Performance Rights

A performance right under the [REDACTED] Performance Rights Plan ("**Performance Right(s)**") gives an Eligible Person (defined below) the right to, subject to the absolute discretion of the Board and to the terms of the [REDACTED] Performance Rights Plan, including but not limited to satisfaction of any vesting conditions, acquire Shares notified to the Eligible Person by our Company or to receive a cash payment in lieu of a share.

Our Board may decide, in its absolute discretion, to substitute the issue, transfer or allocation of Shares on the exercise of Performance Rights, for the payment to the [REDACTED] Performance Rights Participants (defined below) of a cash amount calculated in accordance with the following formula:

Number of Performance Rights × Market Value of a Share on the Exercise Date of the Performance Rights

3. [REDACTED] Performance Rights participants in the [REDACTED] Performance Rights Plan

A participant of the [REDACTED] Performance Rights Plan ("**[REDACTED] Performance Rights Participants**") means any person in respect of whom an offer to participate in the [REDACTED] Performance Rights Plan is accepted and includes:

(a) any employee, director or member of the Council of one or more members of our Company and its subsidiaries selected by our Board in its absolute discretion to participate in the [REDACTED] Performance Rights Plan ("**Eligible Persons**"); and

(b) in relation to an Eligible Person, a body corporate who is:

   (i) an entity controlled by the Eligible Person ("controlled" has the corresponding meaning of "control" as defined in section 50AA of the Australian Corporations Act); or

   (ii) any other entity as the Board may determine in its absolute discretion ("**Affiliates**").

4. Administration of the [REDACTED] Performance Rights Plan

The [REDACTED] Performance Rights Plan is to be administered by the Board. Our Board may make further provisions for the operation of the [REDACTED] Performance Rights Plan which are consistent with the clauses in the [REDACTED] Performance Rights Plan.

5. Offer of Performance Rights

From time to time, our Company may make an offer to participate in the [REDACTED] Performance Rights Plan to an Eligible Person or their Affiliate. An offer to an Eligible Person or their Affiliate to apply for Performance Rights may be made on such terms and conditions as the Board decides from time to time, and our Board shall have the power, in its sole discretion to:

(a) determine the number of Performance Rights the subject of the [REDACTED];

(b) approve or not approve any Affiliate;

(c) determine the exercise price (if any) to exercise the Performance Rights and be issued, transferred or allocated Shares subject to the [REDACTED] Performance Rights Plan;

(d) determine the vesting, disposal and forfeiture restrictions that apply to those Performance Rights;

(e) determine the manner in which the offer may be accepted;

(f) amend any offer related to any Performance Rights;

(g) determine appropriate procedures, regulations and guidelines for the administration of the [REDACTED] Performance Rights Plan;

(h) determine whether a cash payment will be payable to a Participant in lieu of a Share being issued, transferred or allocated; and

(i) take advice in relation to the exercise of any of its powers or discretions under these clauses.

The offer to an Eligible Person or their Affiliate must be accompanied by an application form. Our Company may require from the relevant Eligible Person or Affiliate: (aa) any information that it regards as necessary concerning the Eligible Person or Affiliate; and (bb) confirmation that any information previously provided by the Eligible Person or Affiliate to our Company still remains true and correct in all material respects.

6. Acceptance of offer

On receipt of an offer, the Eligible Person to whom the offer was addressed (or a nominated Affiliate) may apply for the number of Performance Rights described in that offer by sending to the person designated by our Company a duly completed and signed application form in accordance with the offer and [REDACTED] Performance Rights Plan.

7. Rights attached to Performance Rights

An offer will be in respect of a single grant of Performance Rights and does not entitle an Eligible Person or an Affiliate of an Eligible Person to participate in any subsequent grants.

A Performance Right does not confer on an Eligible Person, an Affiliate of an Eligible Person or a Performance Right holder:

(a) any voting rights in respect of Shares or in respect of any other equity securities of our Company;

(b) the right to participate in new issues of Shares or other equity securities of our Company;

(c) the right to attend or vote at any general meeting or other meeting of holders of any Shares or other equity securities of our Company;

(d) the right to receive any dividends or other distributions or to receive or otherwise participate in any returns of capital from our Company; or

(e) the right to participate in a liquidation or winding up of our Company.

8. Rights attached to the Shares

All Shares issued or transferred on exercise of Performance Rights in accordance with the [REDACTED] Performance Rights Plan will (i) be issued as fully paid; (ii) be free of any security interests; and (iii) rank equally in all respects with the other Shares on issue in our Company as at the date of issue and be subject to the terms of the Constitution, shareholders agreement (if any) and the [REDACTED] Performance Rights Plan.

9. Vesting

An offer may specify any (i) vesting conditions; or (ii) other vesting events, which must be satisfied before a Performance Right vests ("**Vesting Conditions**"). Our Board may, in its absolute discretion, determine any: (i) Vesting Conditions; or (ii) other vesting events, or (iii) may waive any vesting conditions or events in its sole discretion, in respect of any Performance Right. A Performance Right will only vest on the occurrence or satisfaction of the Vesting Conditions or other vesting events specified in respect of that Performance Right.

10. Lapse of Performance Rights

An unvested Performance Rights shall lapse immediately upon the following events:

(a) if a Trigger Event (defined below) occurs in relation to a Performance Right holder (or related Eligible Person), who is a Bad Leaver (defined below);

(b) if a Trigger Event (defined below) occurs in relation to an Performance Right holder (or related Eligible Person), who is a Good Leaver (defined below), unless the Board in its absolute discretion serves a notice in writing within 30 days of the Trigger Event on the [REDACTED] Performance Rights Participant (Non-Lapse Notice), advising the [REDACTED] Performance Rights Participant that all or any of his or her unvested Performance Rights have not lapsed;

(c) where in the opinion of our Board in its absolute discretion any of the following occurs:

  (i) the Participant acts, or has acted, fraudulently or dishonestly; or

  (ii) the Participant is in material breach of any of his or her duties or obligations to our Company or its related bodies corporate under the rules of the [REDACTED] Performance Rights Plan or otherwise; or

  (iii) an event has occurred which in the Board's absolute discretion would result in the Participant obtaining an inappropriate benefit if the rights of our Company under this clause are not exercised.

Our Company may also require Performance Rights to be exercised or lapse if a Liquidity Event (defined below) is to occur, if:

(a) our Company expects a Liquidity Event (defined below) to occur; or

(b) a Liquidity Event (defined below) whether or not anticipated by our Company does occur,

and in such circumstances our Company may, by notice to all Performance Right holders, require that all outstanding performance either be exercised:

(i) on or before the Exit Date (defined below) pertaining to the relevant Liquidity Event; or

(ii) in the case of an unanticipated Liquidity Event, a date after the Exit Date for that event,

or if they are not exercised to lapse on a date specified by the Board in its absolute discretion.

For the purpose of the [REDACTED] Performance Rights Plan:

(a) "**Exit Date**" means each of:

  (i) in respect of an [REDACTED], the date of admission of the Company or a special purpose vehicle formed for the purpose of a [REDACTED] which directly or indirectly (including through one or more interposed entities) owns at least 50 per cent of the capital of our Company, to the official list of ASX Limited or any other recognised stock exchange;

  (ii) in respect of a Share Sale, the date on which the parties complete the sale and purchase of the Shares; or

  (iii) in respect of a Business Sale, the date of the first distribution to Shareholders arising from the Business Sale.

(b) "**Bad Leaver**" means an Eligible Person whose employment or engagement with our Company or member of our Company due to the termination of employment or engagement or vacation of office of such Eligible Person where such Eligible Person;

(aa) is engaged in serious or wilful misconduct; or

(bb) is or has been seriously negligent in the performance of their duties; or

(cc) committed a serious breach of their employment contract; or

(dd) committed an act, whether at work or otherwise, which brings our Company into disrepute; or

(ee) has been convicted of an offence punishable by imprisonment; or

(ff) are as a result of circumstances other than those set out in the definition of "Good Leaver".

(c) "**Good Leaver**" means the employment or engagement of an Eligible Person with our Company ceases as a result of circumstances other than those set out in the definition of "Bad Leaver"; or our Board in its absolute discretion determines the participant to be a Good Leaver.

(d) "**Liquidity Event**" means

(i) an [REDACTED] of a member of our Company or its subsidiary ("**Group**") or a special purpose vehicle formed for the purpose of a [REDACTED] which directly or indirectly (including through one or more interposed entities) owns at least 50 per cent of the capital of our Company to the official [REDACTED] of the ASX Limited or any other recognised stock exchange ("**[REDACTED]**");

(ii) a sale to a third party purchaser of all (or substantially all) of the assets and business undertaking of our Company (including by way of a sale of Shares of our Company's subsidiaries) provided that no sale or transfer undertaken to effect a corporate reorganisation of our Company will constitute a Business Sale ("**Business Sale**"); or

(iii) a sale by Shareholders (in one transaction or a series of connected transactions) to a third party purchaser of all of the issued Shares provided that no sale or transfer undertaken to effect a corporate reorganisation of our Company will constitute a Share Sale ("**Share Sale**").

(e) "**Trigger Event**" means when an Eligible Person whose employment with our Company or members of our Company ceases.

11. Cancellation of Performance Rights and suspension and cancellation of the plan

Our Board may, in its absolute discretion on a Liquidity Event, cancel some or all of the Performance Rights (whether vested or not) in exchange for their market value in accordance with the [REDACTED] Performance Rights Plan. Our Board may also from time to time suspend the operation of the [REDACTED] Performance Rights Plan and may at any time cancel the [REDACTED] Performance Rights Plan. The suspension or cancellation of the [REDACTED] Performance Rights Plan must not prejudice any existing rights of [REDACTED] Performance Rights Participants.

12. Reorganisation events

"**Reorganisation Event**" means any one or more of the following:

(a) a distribution of cash or securities by way of a return of capital;

(b) a bonus issue of Shares by our Company;

(c) a share split, consolidation or other similar action in respect of the share capital of our Company; or

(d) any other internal reorganisation, recapitalisation, reclassification or similar event with respect to the share capital of our Company.

Subject to this paragraph, the [REDACTED] Performance Rights Plan continues to apply in full force and effect despite any Reorganisation Event. If any Reorganisation Event occurs before all Performance Rights capable of vesting in favour of the Performance Right holder have vested in favour of that Performance Right holder, our Company will procure that the terms of the [REDACTED] Performance Rights Plan are varied in such a way as determined by our Board in its absolute discretion, which neither disadvantages nor advantages that Performance Right holder nor adversely effects the rights of the other holders of Shares, to account for the effect of the Reorganisation Event. Each Performance Right holder and Eligible Person agrees to any such variations to the [REDACTED] Performance Rights Plan.

13. Alteration or amendment of the [REDACTED] Performance Rights Plan

The [REDACTED] Performance Rights Plan may be amended from time to time by resolution of the Board subject to the requirements of the Australian Corporations Act from time to time. Any such amendment however, must not adversely affect the rights of [REDACTED] Performance Rights Participants or Performance Right holders in respect of Performance Rights granted prior to such amendment without the consent of those Participants and Performance Right holders (as applicable), unless such amendment is required by, or necessitated by law, the Australian Corporations Act, or any clauses of any other recognised stock exchange, any other relevant law or to address potential adverse tax implications affecting the [REDACTED] Performance Rights Plan arising from changes to laws relating to taxation, the interpretation of laws relating to taxation by the relevant governmental authorities (including the release of any ruling), courts or tribunals.

14. General

An application has been made to the [REDACTED] of the Stock Exchange for the [REDACTED] of, and [REDACTED], new Shares underlying any awards which may be granted pursuant to the [REDACTED] Performance Rights Plan.

As at the Latest Practicable Date, [REDACTED] Performance Rights had been granted by our Company pursuant to the [REDACTED] Performance Rights Plan. Our Company expects to grant an additional 10,690 Performance Rights under the [REDACTED] Performance Rights Plan prior to the [REDACTED] to certain members of the Council and certain Directors, including (i) Mr. Jing Li, our non-executive Director, and (ii) Professor Brian James Stoddart and Professor Steven Schwartz, being our independent non-executive Directors and members of the Council. The shareholding of each of Professor Brian James Stoddart and Professor Steven Schwartz in our Company will not be more than 1% of the enlarged share capital of our Company upon completion of the [REDACTED] assuming that they are fully vested (without taking into account any shares of our Company which may be issued upon the exercise of the [REDACTED] and the vesting of Performance Rights granted under the [REDACTED] Performance Rights Plan).

Our Company will issue announcements according to the applicable [REDACTED] Rules, disclosing particulars of any Performance Rights vested under the [REDACTED] Performance Rights Plan, including the date of vesting, number of Shares involved and compliance with Chapter 14A of the [REDACTED] Rules. Details of the [REDACTED] Performance Rights Plan, including particulars and movements of the Performance Rights granted during each financial year of our Company, and our employee related costs arising from the grant of the Performance Rights will be disclosed in our annual and interim reports.

15. Potential dilution effect

The maximum aggregate number of Shares underlying all grants of Performance Rights pursuant to the [REDACTED] Performance Rights Plan is [REDACTED] Shares assuming the total of [REDACTED] Performance Rights are fully vested after the completion of the share split could incur a dilution of approximately [REDACTED] of the shareholding of the Shareholders immediately following the [REDACTED] (without taking into account any Shares to be issued upon the exercise of the [REDACTED] and the vesting of Performance Rights granted under the [REDACTED] Performance Rights Plan).

Outstanding Performance Rights

As at the Latest Practicable Date, we had granted an aggregate of [REDACTED] Performance Rights to one grantee under the [REDACTED] Performance Rights Plan, namely Dr. Zhu, our exective Director. No additional Performance Rights will be granted under the [REDACTED] Performance Rights Plan on or after the [REDACTED]. The total number of Shares underlying the [REDACTED] Performance Rights assuming the [REDACTED] Performance Rights are fully vested after the completion of the share split represents approximately [REDACTED] of the [REDACTED] share capital of our Company upon completion of the [REDACTED] (without taking into account any shares of our Company which may be issued upon the exercise of the [REDACTED] Option and the vesting of Performance Rights granted under the [REDACTED] Performance Rights Plan). As at the Latest Practicable Date, no Share had been allotted and issued under the [REDACTED] Performance Rights Plan.

Details of the Grantees under the [REDACTED] Performance Rights Plan

As at the Latest Practicable Date, we had granted [REDACTED] Performance Rights to one grantee, namely Dr. Zhu (being our executive Director) under the [REDACTED] Performance Rights Plan.

Consideration Paid for the Grant of Performance Rights and the Vesting Period of the Performance Rights Granted under the [REDACTED] Performance Rights Plan

The grantees of the Performance Rights granted under the [REDACTED] Performance Rights Plan above is/are not required to pay for the grant of any Performance Rights under the [REDACTED] Performance Rights Plan.

We shall ensure compliance with the [REDACTED] in Rule 8.08 of the Listing Rules.

F. [REDACTED] PERFORMANCE RIGHTS PLAN

We conditionally approved and adopted the [REDACTED] Performance Rights Plan on 24 October 2017, which will become effective subject to (i) the [REDACTED] of the Stock Exchange granting the [REDACTED] of, and [REDACTED], new Shares underlying the performance rights ("**Performance Rights**") which may be granted pursuant to the [REDACTED] Performance Rights Plan ("**[REDACTED] Performance Rights Plan**") and (ii) the commencement of [REDACTED] of the Shares on the Stock Exchange.

Other than the key differences summarised below, the rules of the [REDACTED] Performance Rights Plan are substantially similar to those of the [REDACTED] Performance Rights Plan:

1. [REDACTED] Performance Rights Mandate Limit

The maximum aggregate number of Shares underlying all grants of [REDACTED] Performance Rights pursuant to the [REDACTED] Performance Rights Plan or any other performance rights plan or employee incentive scheme of our Company (excluding Performance Rights that have lapsed or been cancelled in accordance with the rules of the [REDACTED] Performance Rights Plan or any other performance rights plan or employee incentive scheme of our Company) must not exceed 10% of the number of Shares in issue on the [REDACTED] ("**[REDACTED] Performance Rights Mandate Limit**").

The [REDACTED] Performance Rights Mandate Limit may be refreshed following the [REDACTED] subject to prior approval of our Board. The total number Shares underlying all grants of Performance Rights pursuant to the [REDACTED] Performance Rights Plan and any other performance rights plan or employee incentive scheme of the Company following the date of approval of the refreshed limit ("**New Approval Date**") must not exceed 10% of the number of Shares in issue as at the New Approval Date (including Shares issued before the New Approval Date pursuant to vesting of the Performance Rights granted under the [REDACTED] Performance Rights Plan or any other performance rights plan or employee incentive scheme of our Company).

Our Company may, at a general meeting, propose for our Shareholders to consider and if thought fit, pass an ordinary resolution approving an annual mandate specifying: (i) the maximum number of new Shares that may underlie the [REDACTED] Performance Rights granted pursuant to the [REDACTED] Performance Rights Plan and any other performance rights plan or employee incentive scheme of our Company during the Applicable Period (as defined below); and (ii) our Board has the power to deal with, allot and issue Shares, procure the transfer of Shares and otherwise deal with Shares pursuant to the vesting of any [REDACTED] Performance Rights that are granted pursuant to the

[REDACTED] Performance Rights Plan or any other performance rights plan or employee incentive scheme of our Company during the Applicable Period, as and when such [REDACTED] Performance Rights vest.

The above mandate shall remain in effect during the period ("**Applicable Period**") from the passing of the ordinary resolution granting the mandate until the earliest of: (a) the conclusion of the next annual general meeting; (b) the end of the period within which our Company is required by any applicable laws or by the Constitution to hold the next annual general meeting; or (c) the date on which such mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

2. Restrictions on Grant

Our Board shall not make an offer to any eligible person or vest any [REDACTED] Performance Right in any participant if inside information has come to our Company's knowledge until such inside information has been published in accordance with the Listing Rules. In particular, no [REDACTED] Performance Right may be granted or vested during the period:

(a) commencing one month immediately preceding the earlier of:

  (i) the date of the meeting of our Board for the approval of our Company's results for any year, half-year, or any other interim period (whether or not required under the Listing Rules); and

  (ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or any other interim period (whether or not required under the Listing Rules); and

(b) ending on the date of the applicable results announcement.

The period during which no [REDACTED] Performance Right may be granted or vested will cover any period of delay in the publication of a results announcement.

3. Offers to Connected Persons

Any grant or vesting of [REDACTED] Performance Rights to any Director, chief executive or substantial Shareholder of our Company, any of their respective associates, or any other connected person under the [REDACTED] Performance Rights Plan, shall be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee of such [REDACTED] Performance Rights) and shall otherwise be subject to compliance with the requirements of the Listing Rules.

Notwithstanding the above, any grant, vesting or exercise of [REDACTED] Performance Rights to a Director as part of such Director's remuneration under his/her service contract with our Company shall be exempted from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.73(6) of the [REDACTED] Rules.

4. Limitation on exercise

A [REDACTED] Performance Right may only be exercised by the [REDACTED] Performance Right holder during the Exercise Period, except in any of the following circumstances:

(a) in the event of a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, (or all such holders other than the offeror and/or its associates or any person acting in association or concert with the offeror) and our Board has not exercised its discretion to cancel some or all of the [REDACTED] Performance Rights (whether vested or not) in exchange for their market value in accordance with the terms of the [REDACTED] Performance Rights Plan;

(b) in the event of an effective resolution being proposed for the voluntary winding up of our Company during the Exercise Period (defined below); or

(c) in the event of a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies (except for a Reorganisation Event or a solvent internal reconstruction of our Company).

A "**Reorganisation Event**" means any one or more of the following to be undertaken by TOP subject to the Australian Corporations Act, the Listing Rules or any other relevant law:

(i) a distribution of cash or securities by way of a return of capital;

(ii) a bonus issue of Shares by our Company;

(iii) a share split, consolidation or other similar action in respect of the share capital of our Company; or

(iv) any other internal reorganisation, recapitalisation, reclassification or similar event with respect of the share capital of our Company.

The Exercise Period in respect of any [REDACTED] Performance Right shall automatically terminate and that [REDACTED] Performance Right (to the extent not already exercised) shall lapse on the date of the commencement of the winding-up of our Company.

The term "**Exercise Period**" shall mean in relation to a [REDACTED] Performance Right, the period commencing on the date on which the [REDACTED] Performance Right vests and ending on the expiry date, being the earliest of:

(i) the lapsing of a [REDACTED] Performance Right in accordance with the [REDACTED] Performance Rights Plan;

(ii) the date that is 15 years from the date the [REDACTED] Performance Rights are granted and acquired; and

(iii) any other date set out in in an offer made to an Eligible Person by or on behalf of our Board to participate in the [REDACTED] Performance Rights Plan.

G. OTHER INFORMATION

1. Tax and Other Indemnity

Our Controlling Shareholders entered into the Deed of Indemnity (being the contract referred to in the paragraph headed "— B. Further Information About Our Company — 1. Summary of material contracts" in this Appendix) to provide indemnities in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received as well as any property claim to which any member of our Company may be subject and payable on or before the date when the [REDACTED] becomes unconditional.

2. Litigation

As at the Latest Practicable Date, save as disclosed in the section headed "Business — Legal and Administrative Proceedings" in this document, we were not involved in any litigation, arbitration, administrative proceedings or claim of material importance and no litigation, arbitration, administrative proceedings or claim of material importance was known to our Directors to be pending or threatened by or against us.

3. The Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules and has made an application on behalf of our Company to the [REDACTED] for the [REDACTED] of, and [REDACTED], the Shares in issue and to be issued as mentioned in this document.

The Sole Sponsor's fee is approximately HK$5.5 million and is payable by our Company.

4. Preliminary Expenses

The estimated preliminary expenses incurred or proposed to be incurred by our Company are approximately AUD$473 (equivalent to approximately HK$2,930) and were paid by our Company.

5. Promoters

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding to the date of this document, no cash, securities or other benefit has been paid, allotted or given to, or is proposed to be paid, allotted or given to, any promoter in connection with the [REDACTED] or the related transactions described in this document.

6. *Qualification of Experts*

The qualifications of the experts (as defined under the Listing Rules) who have given their opinions or advice in this document are as follows:

Name	Qualifications
China Galaxy International Securities (Hong Kong) Co., Limited	A licenced corporation carrying on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified public accountants in Hong Kong
Deutsch Miller	Legal advisers as to Australia law
Ipsos	Industry consultant

7. *Consents*

Each of China Galaxy International Securities (Hong Kong) Co., Limited, Ernst & Young, Deutsch Miller and Ipsos has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or opinions and/or the references to their names included in this document in the form and context in which they are respectively included.

None of the experts named above has any shareholding interests in any member of our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Company.

8. *Share Register*

Our share register will be maintained in Hong Kong by [REDACTED] at [REDACTED]. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the [REDACTED].

9. *Miscellaneous*

Save as disclosed in this document:

(a) none of the equity and debt securities of our Company is [REDACTED] or dealt with in any other stock exchange nor is any [REDACTED] or [REDACTED] being or proposed to be sought from any other stock exchange;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued or agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities;

(e) within the two years preceding the date of this document, no commissions, discounts, brokerages or other special items have been granted in connection with the issue or sale of any share or loan capital of our Company and our Company has not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;

(f) within the two years preceding the date of this document, no commission has been paid or payable (except commissions to the [REDACTED]) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in or debentures of our Company;

(g) since 30 June 2017 (being the date to which the latest audited financial information of our Company was made up), there has been no material adverse change in the financial or trading position or prospects of our Company;

(h) our Company does not have any authorised debentures;

(i) there is no arrangement under which future dividends are waived or agreed to be waived;

(j) the [REDACTED] does not involve the exercise of any right of pre-emption or the transfer of subscription rights;

(k) there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this document;

(l) the English text of this document shall prevail over the Chinese text; and

(m) our Company is not presently listed on any stock exchange or traded on any trading system.

10. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document delivered to the Registrar of Companies in Hong Kong for registration were copies of the written consents referred to in the section headed "— G. Other Information — 7. Consents" in Appendix IV to this document and copies of the material contracts referred to in the section headed "— B. Further Information About Our Company — 1. Summary of Material Contracts" in Appendix IV to this document and a copy of each of the [REDACTED], [REDACTED] and [REDACTED].

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Kwok Yih & Chan of Suites 2103–05, 21st Floor, 9 Queen's Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this document:

(a) the Constitution;

(b) the accountants' report prepared by Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the [REDACTED] financial information of our Company from Ernst & Young, the text of which is set out in Appendix II to this document;

(d) the audited financial statements of the companies comprising our Company for each of the three financial years ended 30 June 2015, 2016 and 2017;

(e) the material contracts referred to in the section headed "— B. Further Information About Our Company — 1. Summary of Material Contracts" in Appendix IV to this document;

(f) the service contracts and appointment letters referred to in the paragraph headed "— D. Further Information About Our Directors — 1. Directors' Service Contracts" in Appendix IV to this document;

(g) the written consents referred to in the paragraph headed "— G. Other Information — 7. Consents" in Appendix IV to this document;

(h) the Australian legal opinions issued by Deutsch Miller, our Australian legal advisers, in respect of certain aspects of Australian laws;

(i) the Ipsos Report;

(j) the rules of the [REDACTED] Performance Rights Plan; and

(k) the rules of the [REDACTED] Performance Rights Plan.