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TOP EDUCATION GROUP LTD

澳洲成峰高教集團有限公司

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

(ACN 098 139 176)

(Stock code: 1752)

**UPDATE ON PROFIT GUARANTEE IN RELATION TO THE ACQUISITION OF
85% EQUITY INTEREST IN SCOTS ENGLISH COLLEGE PTY LTD**

This announcement is made by Top Education Group Ltd (the “**Company**”) pursuant to Rule 14.36B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcements of the Company dated 23 September 2019, 28 October 2019 and 21 September 2020 in relation to the acquisition of 85% interest in Scots English College Pty Ltd (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

Pursuant to the Share Sale and Purchase Deed, payment of the First Earn Out Amount is subject to the following First Earn Out Conditions:

- (a) 100% of the First Earn Out Amount (being A\$724,472) is payable if the FY20 NPAT is A\$1 million or more; or
- (b) 75% of the First Earn Out Amount (being A\$543,354) is payable if (i) the FY20 NPAT is A\$700,000 or more but less than A\$1 million and (ii) the aggregate of the FY20 NPAT plus the 1HFY21 NPAT is more than A\$1 million; or
- (c) 0% of the First Earn Out Amount (being nil) is payable in circumstances other than those described in (a) or (b).

The Company has received a copy of the 1H FY21 Management Accounts as finalised and approved by the board of directors of the Target. The FY20 NPAT and the 1H FY21 NPAT in aggregate is approximately A\$700,000, which falls short of A\$1 million. As neither of the First Earn Out Conditions set out in paragraphs (a) or (b) above have been met, no First Earn Out Amount is payable by the Purchaser to the Seller on the First Earn Out Date, based on the formula set out in paragraph (c) above. Further announcement(s) will be made by the Company with respect to the payment of the Second Earn Out Amount as and when appropriate, in accordance with the Listing Rules.

By order of the Board
Top Education Group
Ltd
Minshen Zhu
Chairman

Sydney, Australia, 19 February 2021

As at the date of this announcement, the executive Directors are Dr. Minshen Zhu (Ms. Rongning Xu as his alternate) and Ms. Sumeng Cao, the non-executive Directors are Mr. Amen Kwai Ping Lee, Mr. Thomas Richard Seymour (Mr. Kai Zhang as his alternate), Mr. Yi Dai and Mr. Edward Chiang, and the independent non-executive Directors are Professor Weiping Wang, Professor Brian James Stoddart, Mr. Tianye Wang and Professor Steven Schwartz.