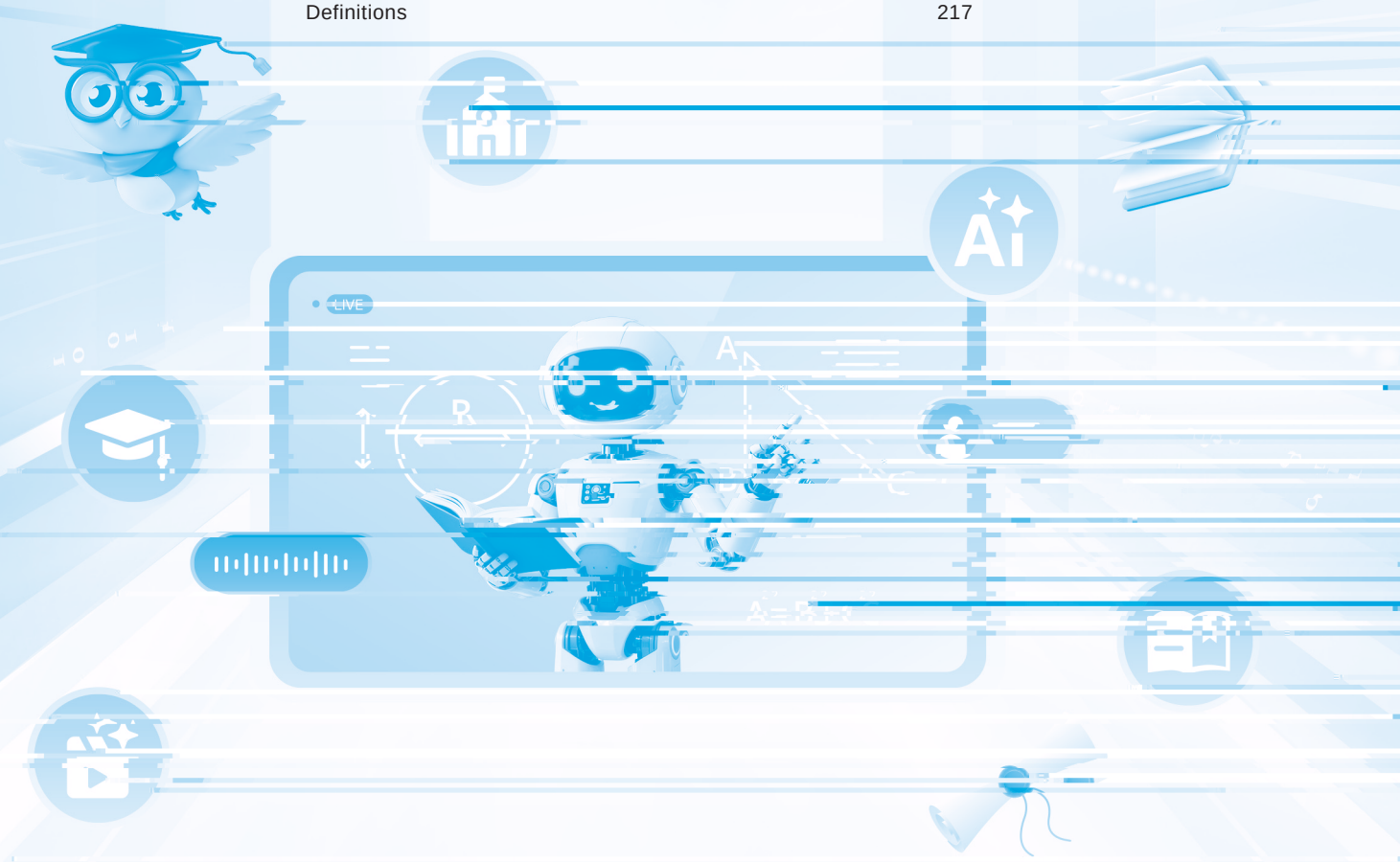
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1773



2025 ANNUAL REPORT

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Mr. Luo Shi *(Chairman)*
Mr. Wang Rui

Mr. Pan Ping
Mr. Zhang Wenzao
Ms. Li Xiaomei

Mr. Liu Kai Yu Kenneth
Mr. Yang Dong
Mr. Cheng Yiqun

Mr. Liu Kai Yu Kenneth *(Chairman)*
Mr. Cheng Yiqun
Mr. Yang Dong

Mr. Cheng Yiqun *(Chairman)*
Mr. Wang Rui
Mr. Yang Dong

Mr. Luo Shi *(Chairman)*
Ms. Li Xiaomei
Mr. Cheng Yiqun
Mr. Liu Kai Yu Kenneth
Mr. Yang Dong

Ernst & Young
Certified Public Accountants
Registered Public IntereTw 10 g1eitylic Auornts

We are a leading comprehensive education service operator in the PRC. We provide customers with comprehensive education management and diversified services. During the Reporting Year, the number of high school students enrolled in the Group's school network was approximately 54,000. At the beginning of the fall semester of 2025, the number of high school students enrolled in the Group's school network increased to approximately 60,000, representing an increase of approximately 11%. With a strong presence in Sichuan province where the Group is based in, our school spans across 36 cities in Inner Mongolia, Shandong, Henan, Hebei, Guizhou, Jiangxi, Zhejiang, Yunnan, Gansu, Anhui, Guangxi, Guangdong, Shaanxi, Shanghai, Chongqing and Hubei. During the Reporting Year, the Group principally provided students with comprehensive education services in 58 schools.

We have over 20 years of extensive experience in providing educational services that focus on the development of each child's strengths and potential and promotion of life-long learning and growth. We design and develop our educational programs to reflect the core of our educational philosophy, "Six Establishments and One Accomplishment (六立一達)", emphasizing the importance of solid academic performance in core subject areas while at the same time encouraging our students to explore individual interests and enhance physical fitness, and nurturing students' creativity, communication skills, independent thinking and sense of social responsibility.

Since our inception, our students have consistently achieved outstanding results in various academic examinations and contests, as well as in extra-curricular activities. Despite the expansion of our school network and the increasing number of high school students, our admission rate in the National Higher Education Entrance Examination (known as " ") has maintained a high level. In the 2025 Gaokao, approximately 90% of the students of our established schools exceeded the admission scores for undergraduates of universities in the PRC, and approximately 58% exceeded the admission scores of first-tier universities in the PRC; our developing schools also achieved "low-in, high-out" performance, with the undergraduate admission rate and the first-tier university enrolment rate increasing by 32% and 14%, respectively, as compared to the initial matriculation scores of the students.

We established a centralized and standardized management system which we believe is essential to the success of our business as it enables us to integrate our resources, enhance our operating efficiency and ensure the quality of our educational services. With our management system, we have been able to quickly expand our school network into new geographic locations and at the same time implement our quality standards across our school network. Looking forward, we will continue with our strategic expansion nationwide through making mainly for-profit high schools bigger and more prosperous, providing students with diversified education services. We are committed to strengthening our teaching quality and optimizing our "Six Establishments and One Accomplishment"

	For the year ended 31 August 2024 RMB'000	Change RMB'000	Percentage Change
Revenue	3,320,898	268,003	8.1%
Gross profit	1,118,969	94,564	8.5%
Profit for the year	556,162	91,968	16.5%
Adjusted profit for the year	577,414	40,174	7.0%
	RMB	RMB	
Basic	27.51 cents	4.74 cents	17.2%
Diluted	27.23 cents	4.63 cents	17.0%
	RMB	RMB	
Total dividend per Share	8.25 cents	1.43 cents	17.3%
Dividend payout ratio	30%	–	–

	For the year ended 31 August 2024 RMB'000
Profit for the year	556,162
Add/(Less):	
Share of profits of a joint venture and associates	(13,712)
Equity-settled share award scheme and share option scheme expenses	41,373
Foreign exchange losses/(profits)	8,838
Depreciation and amortisation arising from valuative appreciation	10,983
Net gains on acquired subsidiaries	(26,230)
Reversal of impairment losses on property, plant and equipment	–
Impairment losses on goodwill	–
Impairment losses on financial assets	–
Deferred tax recognised in respect of impairment losses	–
Adjusted profit for the year	577,414

The adjusted profit for the year was derived from the profit for the year excluding the items which are not indicative of the Group's operating performance. These are not International Financial Reporting Standard (" ") measures.

Dear Shareholders,

On behalf of the Board of Tianli International Holdings Limited, I am pleased to present the consolidated annual results of the Group for the year ended 31 August 2025.

With the dedication and joint efforts of our staff, our Group has continuously expanded its presence, and has

Our brand awareness has been significantly increasing since our listing in 2018, smoothing our paths in school expansion and business development.

Looking ahead, the Company will adhere to the development strategy driven by the dual wheels of “fundamental business” and “AI education technology”. In terms of fundamental business, we will continue to expand the scale of our school network and enhance education and teaching quality through the dual-channel model of self-operation and entrustment; meanwhile, we will continue to expand various businesses such as comprehensive quality, logistics services and diversified higher education, improve the education ecosystem chain, and build sustainable business barriers and comprehensive service capabilities. In terms of AI education technology, we will deepen the “internal and external dual circulation” model: internally, we will reduce labor costs and improve teaching efficiency through the normalized application of AI classrooms; externally, we will accelerate the commercial replication of AI products and promote market implementation through models such as To B, To G and community-based C services, so as to create a new growth curve for the Group.

Last but not the least, on behalf of the Board, I would like to share our appreciation to all students, parents, government authorities and our Shareholders for the continuous support for and trust in our Group. I also would like to express my gratitude to our staff for the dedication which contributes to our Group’s promising performance in all aspects.

Chairman

28 November 2025

	Year ended 31 August 2024 RMB'000	Year ended 31 August 2023 RMB'000 (restated)	Year ended 31 August 2022 RMB'000	Year ended 31 August 2021 RMB'000
Revenue	3,320,898	2,302,540	884,372	345,184
Cost of sales	[illegible]	[illegible]	[illegible]	[illegible]

	As at 31 August 2024 RMB'000	As at 31 August 2023 RMB'000 (restated)	As at 31 August 2022 RMB'000	As at 31 August 2021 RMB'000
Total non-current assets	7,975,058	7,186,095	5,925,078	5,177,850
Total current assets	2,218,658	2,371,130	2,206,033	2,615,533
Total current liabilities	4,657,047	4,569,481	3,814,580	4,778,789
NET CURRENT LIABILITIES	(2,438,389)	(2,198,351)	(1,608,547)	(2,163,256)
TOTAL ASSETS LESS CURRENT LIABILITIES	5,536,669	4,987,744	4,316,531	3,014,594
Total non-current liabilities	3,063,633	2,886,769	2,437,616	1,226,727
Net assets	2,473,036	2,100,975	1,878,915	1,787,867
EQUITY				
Issued capital	179,763	183,022	183,022	184,042
Treasury shares	(1,330)	(31,663)	–	–
Reserves	2,294,341	1,919,373	1,668,774	1,579,934
	2,472,774	2,070,732	1,851,796	1,763,976
Non-controlling interests	262	30,243	27,119	23,891
Total equity	2,473,036	2,100,975	1,878,915	1,787,867

Established in 2002, the Group is a leading comprehensive education service operator in the PRC. We provide customers with comprehensive education management and diversified services. During the Reporting Year, we provided comprehensive education service to approximately 54,000 high school students.

Our fundamental educational philosophy is premised on the development of each child's strengths and potential and promotion of life-long learning and growth. The core of our educational philosophy is "Six Establishments and One Accomplishment (六立一達)", which represents the seven crucial objectives we encourage our students to achieve sound health, morality, wisdom, behavior, mind and creativity and a positive influence on society in addition to self-realization (立身, 立德, 立學, 立行, 立心, 立異, 達人). We are committed to being the role model among our students through continuous contribution to the society. We design and develop our educational programs to reflect this concept, emphasizing the importance of solid academic performance in core subject areas such as Mathematics, Science, Language and History, at the same time encouraging our students to explore individual interests and enhance physical fitness, and nurturing students' creativity, communication skills, independent thinking and social responsibility.

Since our inception, our students have consistently achieved outstanding results in various academic examinations and contests, as well as in extra-curricular activities. During the Reporting Year, a total of 34 students won the first prize in the Provincial Competition of National League in the five subjects of physics, chemistry, mathematics, biology and informatics, and 12 persons were selected for the provincial competition team and won 3 gold medals in the national finals.

In the 2025 Gaokao, 399 of our high school graduates received college acceptance letters from the world's top 50 universities, representing an increase of 127 students compared to 272 students in 2024. Among them, 26 students were enrolled into the world's top 10 universities under Quacquarelli Symonds (QS) rankings: 2 were admitted to Imperial College London (ranked second by QS), 1 was admitted to University of Oxford (ranked third by QS); 2 were admitted to University of Cambridge (ranked fifth by QS) and 21 were admitted to University College London (ranked ninth by QS). Approximately 90% of our Gaokao candidates from established schools attained the entry requirements of universities in the PRC, and approximately 58% attained the entry requirements of first-tier universities in the PRC; and the developing schools also achieved "low-in, high-out" results, with the undergraduate enrolment rate and the first-tier university enrolment rate increasing by 32% and 14%, respectively, compared to the initial matriculation scores of the students.

《中　人民共和國外商投　法》

On 15 March 2019, the Standing Committee of the National People's Congress promulgated the Foreign Investment Law which became effective on 1 January 2020. The Implementation Rules of the Foreign Investment Law came into effect on the same date as well. The Foreign Investment Law and its implementation rules defines foreign investment as direct or indirect investment activities in the PRC by one or more foreign natural persons, enterprises or other organizations (" "), and clearly stipulates four types of investment activities would fall within the definition of foreign investment, including (a) Foreign Investors alone or cooperate with other investors to establish foreign-invested enterprises in the PRC; (b) Foreign Investors acquire shares, equities, property shares or other similar rights of Chinese domestic enterprises; (c) Foreign Investors alone or cooperate with other investors invest in new projects in the PRC; and (d) other means of investment prescribed by laws, administrative regulations and rules promulgated by the State Council. Furthermore, the law prescribes that the PRC applies the pre-establishment national treatment and negative list management system against foreign investment. The negative list of prohibited investment sectors prescribes areas which foreign investors are not allowed to invest upon; the negative list of restricted investment sectors prescribes areas which foreign investors are required to abide by the conditions as imposed under the regulations of the negative list; and all other areas excluded from the negative list would be handled according to the general principles applicable for both domestic and foreign enterprises. The Foreign Investment Law further stipulates that laws such as the Company Law of the PRC and the Partnership Enterprise law of the PRC shall apply to the organizational form, corporate governance and activities standards of foreign invested enterprises. For foreign invested enterprises established before the implementation of the Foreign Investment Law may maintain their original organizational form for five years from 1 January 2020. Specific measures for implementation shall be formulated by the State Council. The Foreign Investment Law does not explicitly include clauses involving "actual control" or "contractual arrangements."

Nevertheless, the Company does not rule out the possibility that there will be further laws and regulations governing the same. Therefore, it remains uncertain as to whether the structure under contractual arrangements will be included in the supervisory regime for foreign investment, and if so, the ways under which it is governed. As at the date of this report, the Company's operation remained unaffected by the Foreign Investment Law. The Company will closely monitor the development of the Foreign Investment Law and related legislations.

The table below sets out the names of entities and their principal business related to the Affected Business as at 31 August 2025:

1	Luzhou Longmatan Tianli Elementary School *(Note 1)*	

Although the aforementioned schools were deconsolidated from the Group due to the Implementation Regulations, with an accountable and responsible attitude to students, parents and the society, the Group will maintain continuous and stable enrollment and operation for the schools that have been opened and operated nationwide. We will continue to provide high quality comprehensive educational services to students and parents.

In order to safeguard the sustainable development of the Group and to protect the long-term interests of the Company and its Shareholders, the Group will continue to deepen the construction of the school quality system, satisfy the personalised education needs of more families with higher quality further diversified education services, and promote the absolute competitive advantage of the schools in the local area through all aspects and multiple dimensions. At the same time, the Company will also increase its efforts in streamlining administration and staff, and further enhance the Group's operational management efficiency and maintain steady operations through measures such as digital upgrade and process re-engineering. There were approximately 60,000 high school students in the Company's school network as at the beginning of the 2025 fall semester, representing an increase of approximately 11% compared to approximately 54,000 high school students as at the beginning of the 2024 fall semester.

In active response to the national call for digital education and to deeply explore quality improvement and efficiency enhancement of education services in the AI era, the Group has, after prudent consideration, 92.025 Td(')Tj0.25 -0.025 Td[( )0self-velopmee

Set out below includes the key highlights for the financial results for the year ended 31 August 2024 and the year ended 31 August 2025.

	Year ended 31 August 2024 RMB'000 (Audited)
	3,320,898
Cost of sales	(2,201,929)
	1,118,969
Other income and gains	50,273
Selling and distribution expenses	(70,531)
Administrative expenses	(257,499)
Reversal of impairment losses on property, plant and equipment	–
Impairment losses on goodwill	–
Impairment losses on financial assets	–
Other expenses	(28,083)
Finance costs	(86,390)
Share of profits of:	
A joint venture	2,165
Associates	11,547
	740,451

The following table sets forth an analysis of revenue for the year ended 31 August 2024 and the year ended 31 August 2025:

	Year ended 31 August 2024 RMB'000
Revenue from contracts with customers	
Comprehensive educational services	1,744,945
Sales of products	918,923
Comprehensive logistical services	597,409
Management and franchise fees	59,621
Total revenue	3,320,898

Our revenue mainly includes comprehensive educational services, sales of products, comprehensive logistical services, and management and franchise fees.

Our revenue increased by 8.1% from approximately RMB3,320.9 million for the year ended 31 August 2024 to approximately RMB3,588.9 million for the Reporting Year, primarily driven by increase of revenue from comprehensive educational services and sales of products.

The revenue from comprehensive educational services of the Group increased by 7.0% from approximately RMB1,744.9 million for the year ended 31 August 2024 to approximately RMB1,868.0 million for the Reporting Year, which is primarily due to the increase in high school students enrollment.

Revenue from the sales of products increased by 8.0% from approximately RMB918.9 million for the year ended 31 August 2024 to approximately RMB992.3 million for the Reporting Year, mainly due to the increase in revenue brought about by the Group's continuous enhanced supply chain channel layout in the areas covered by the school network this year.

Depreciation and amortization costs increased by 7.2% from RMB243.1 million for the year ended 31 August 2024 to RMB260.6 million for the Reporting Year, primarily due to the repair and expansion work at some schools led to increased depreciation and amortisation.

Procurement cost of products increased by 10.0% from RMB794.7 million for the year ended 31 August 2024 to RMB874.5 million for the Reporting Year, primarily due to the increase in procurement costs as a result of an increase in product sales revenue of 8%.

Teaching activity costs increased by 15.9% from RMB178.9 million for the year ended 31 August 2024 to RMB207.3 million for the Reporting Year, primarily due to the increased number of senior high school students and the associated teaching service costs arising from the enhancement of teaching quality.

Utilities cost increased by 10.5% from RMB21.4 million for the year ended 31 August 2024 to RMB23.7 million for the Reporting Year, primarily due to the increased number of students served.

The Group's gross profit for the Reporting Year was approximately RMB1,213.5 million, representing an increase of 8.5% from approximately RMB1,119.0 million for the year ended 31 August 2024, primarily due to the increase in the number of high school students enrolled and the revenue from the Group's provision of comprehensive education services. The Group's gross profit margin for the Reporting Year was approximately 33.8%, representing a slight increase of 0.1 percentage points as compared with 33.7% for the year ended 31 August 2024.

Other income and gains primarily consist of bank interest income, gain on bargain purchase, subsidy income, gain on waiver of other payables and other income.

Other income and gains decreased from approximately RMB50.3 million for the year ended 31 August 2024 to approximately RMB35.2 million for the Reporting Year, primarily because of the absence of gain on bargain purchase for the Reporting Year.

Administrative expenses primarily consist of (i) administrative staff costs, (ii) equity-settled share option scheme expenses, and (iii) office administration expenses, which primarily consist of office supply and utilities and travelling, and meal and training expenses incurred in connection with administrative activities.

Administrative expenses decreased by 1.3% from approximately RMB257.5 million for the year ended 31 August 2024 to approximately RMB254.2 million for the Reporting Year, primarily as a result of a decrease of equity-settled share option scheme expenses.

As at 31 August 2021, the Group recognised impairment losses on property, plant and equipment of RMB1,085,236,000 due to the 2021 Implementation Regulations and deconsolidation of the Affected Business. During the Reporting Year, the Group has obtained operating licenses on art training for certain tuition schools, which favourably improved the estimated service potential of the respective property, plant and equipment and right-of-use assets occupied by the Affected Business. As at 31 August 2025, the Group recognised reversal of impairment losses on property, plant and equipment of approximately RMB100.0 million according to the impairment assessment performed. Details of assessment are set out in note 13 to the consolidated financial statements.

Sichuan Fengming Niepan operates a Gaokao repetition education school to provide education services in Sichuan Province, the PRC. Sichuan Province has introduced a new model for its 2025 Gaokao, coupled with the corresponding college admission reforms, have led to a decline in the enrolment of new students for Autumn 2025 of this school, indicating a potential impairment of goodwill and assets of Sichuan Fengming Niepan as at 31 August 2025. The directors of the Company have therefore reassessed the cash flow projection and other input parameters in the value in use calculation with reference to the valuation performed by an independent qualified professional valuer engaged by the Group, and have recognised an impairment loss of RMB8,841,000 against goodwill of Sichuan Fengming Niepan as at 31 August 2025.

Impairment losses on financial assets primarily consist of impairment of trade receivables. An impairment analysis is performed at the date of this report using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with scFengltrad9lAso.102 Tw rvisith00.6 (var

Income tax increased by 5.0% from approximately RMB184.3 million for the year ended 31 August 2024 to approximately RMB193.4 million for the Reporting Year, mainly due to the increase in profit before tax arising from taxable subsidiaries, in particular, our high schools and the Group's major subsidiaries established in the PRC which are subject to corporate income tax at a rate of 25%. The effective income tax rate for the year ended 31 August 2025 was 23.0% (for the year ended 31 August 2024: 24.9%).

The Shares were successfully listed on Main Board of the Stock Exchange on 12 July 2018. The capital of the Company only comprises of ordinary shares.

The Group finances its liquidity and capital requirements primarily through cash generated from operations, bank borrowings and equity contribution from Shareholders.

As at 31 August 2025, we had net current liabilities of approximately RMB2,126.2 million, as compared with net current liabilities of approximately RMB2,438.4 million as at 31 August 2024. Such decrease in net current liabilities was primarily attributable to the increase in long-term bank loans.

In view of the net current liabilities position, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Having considered the cash flows from operations and unutilised banking facilities, the Directors are of the opinion that the Group is able to meet in full its financial obligations as they fall due for the foreseeable future and it is appropriate to prepare the financial information as a going concern basis.

As at 31 August 2025, the Group had cash and cash equivalents of approximately RMB965.2 million (31 August 2024: approximately RMB1,349.0 million). The following table sets forth a summary of our cash flows for the year indicated:

	Year ended 31 August 2024 RMB'000 (Audited)
Net cash flow from operating activities	827,110
Net cash flow used in investing activities	(344,417)
Net cash flow used in financing activities	(559,872)
	(77,179)
Net effect of foreign exchange rates	(6,174)
Cash and cash equivalents at the beginning of year	1,432,369
Cash and cash equivalents at the end of year as stated in the consolidated statement of financial position and cash flows	1,349,016

As at 31 August 2025, the Group had borrowings of approximately RMB2,379.0 million (31 August 2024: RMB2,053.0 million) and the Group's unutilised banking facilities was approximately RMB1,372.1 million. The Group's bank borrowings, of which RMB600.9 million were at fixed interest rates, were primarily used in financing the working capital requirement of its operations and school constructions.

As at 31 August 2025, the gearing ratio of the Group, calculated as the total interest-bearing borrowings divided by the total assets, was approximately 23.9% (31 August 2024: approximately 20.1%).

Save as disclosed in note 26 to the consolidated financial statements, the Group did not have assets or rights pledged as at 31 August 2025.

The functional currency of the Company is RMB, except that the functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at 31 August 2025, certain cash and bank balances and time deposits are denominated in RMB, HKD and USD, which would expose the Group to foreign currency risk. The Group has not used any foreign currency swap contracts to reduce the exposure to USD and HKD arising from bank balances. The Company also currently does not have any foreign exchange hedging policy.

For the year ended 31 August 2025, the Company did not adopt any other financial instruments for hedging purposes.

The Directors will continue to follow a prudent policy in managing the Group's cash and cash equivalents and maintain a strong and healthy liquidity position to ensure that the Group is well placed to take advantage of future growth opportunities.

There was no significant investment held, material acquisition and disposal of subsidiaries and associates by the Company for the year ended 31 August 2025. The Group will make every endeavor to keep abreast of the changing market conditions, proactively identify investment opportunities in order to broaden the revenue base of the Group, enhance its future financial performance and profitability. Moreover, the Group will gradually restructure its business into the provision of integrated operational services in relation to the development of people of the appropriate age, and seek generic strategic expansions through acquisitions of suitable targets. We are confident in the future and committed to continuous growth of the Company.

Our capital expenditures primarily related to the construction of new self-owned schools, the maintenance and upgrade of our existing self-owned schools, and the purchase of additional educational facilities and equipment for our self-owned schools. The Group's capital expenditures consisted of purchase or construction costs relating to property, equipment, prepaid land lease payments and other intangible assets. For the year ended 31 August 2025, our capital expenditures represented by the relevant cash outflows were approximately RMB403.6 million (the year ended 31 August 2024: approximately RMB406.8 million), which we funded primarily through cash generated from operations and bank facilities.

As at 31 August 2025, the Group did not have any material contingent liabilities (31 August 2024: Nil).

As at 31 August 2025, the Group had capital commitments contracted but not provided for property, plant and equipment amounting to approximately RMB48.0 million (31 August 2024: approximately RMB61.8 million).

The Group has determined that it only has one operating segment which is engaged in the provision of comprehensive education services.

The Company sold a total of 91,000,000 existing ordinary Shares at HKD7.72 by way of placing (the “ ”) on 18 December 2020 and allotted and issued a total of 91,000,000 new ordinary Shares at HKD7.72 (the “ ”) on 30 December 2020. For details, please refer to the announcements of the Company dated 16 December 2020 and 30 December 2020, respectively. The aggregate net proceeds from the Placing and the Subscription amounted to approximately HKD694.97 million. The intended purposes for the net proceeds from the Placing and the Subscription are set out on the following table:

The Company has not conducted any fund raising activities involving the issue of its equity securities during the Reporting Year.

We have adopted a specific plan and have commenced taking concrete steps which we reasonably believe are meaningful endeavors to demonstrate compliance with the relevant qualification and high quality of education held by a foreign investor of Sino-foreign joint venture private school for PRC students under the Regulations on Sino-foreign Cooperation in Operating Schools of the PRC

As at the date of this report, the Board consists of eight Directors, comprising two executive Directors, three non-executive Directors and three independent non-executive Directors. The functions and duties of the Board include convening Shareholders' meetings, reporting on the Board's work at these meetings, implementing the resolutions passed in these meetings, determining business and investment plans, formulating our annual budget and final accounts, and formulating our proposals for profit distributions and for the increase or reduction of share capital. In addition, the Board is responsible for exercising other powers, functions and duties in accordance with the Articles of Association.

, aged 52, is the founder of the Group. He was appointed as a Director of the Company on 24 January 2017, appointed as an executive Director of the Company on 31 January 2018, designated as the chairman of the Board and the chief executive officer of the Company on 24 June 2018 and has been appointed as the chairman of the Nomination Committee of the Company on 26 January 2022. Meanwhile, Mr. Luo is also director of certain subsidiaries or schools of the Group. Mr. Luo has been the chief executive officer and chairman of Shenzhou Tianli Educairmanrtain s61 is

Mr. Wang obtained his bachelor's degree in accounting from Southwest University of Finance and Economics (西南財經大學) in July 2004, and obtained his master's degree of Business Administration (Executive) from City University of Hong Kong in October 2024.

平, aged 69, has extensive experience in business administration and development. Mr. Pan has been a director of Shenzhou Tianli Education Investment Co., Ltd. (神州天立教育投資有限責任公司) since December 2015. He served as president of Red Star Macalline Holding Group Company Limited (紅星美凱龍控股集團有限公司) from May 2017 to October 2022. He also served as vice general manager of Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司), the H shares of which were listed on the Main Board of the Stock Exchange (stock code: 1528) on 26 June 2015 and the A shares of which were listed on the Shanghai Stock Exchange (stock code: 601828) on 17 January 2018, from December 2010 to December 2016. He was the vice chief director of Chongan District, Wuxi City, Jiangsu Province from May 1996 to April 2003.

Mr. Pan graduated from the Junior College of the Party School of the Central Committee of the Communist Party of China in September 1985. He has been studying the Business Scholar Program (DBA) at Cheung Kong Graduate School of Business since 2018. Mr. Pan became a senior economist in August 1990. Mr. Pan was named as an outstanding entrepreneur in Wuxi in 1990 and 1991, respectively.

[illegible]文, aged 68, has extensive experience in banking and finance. Mr. Zhang has served as the chairman of the board of directors of Shenzhen Hirisun Technology Inc (深圳海聯訊科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300277) from June 2015 to July 2018. He has also served as the chief financial officer of Shenzhen Suozhida Industrial Co., Ltd.* (深圳市索智達實業有限公司) from December 2002 to May 2015. Mr. Zhang was the corporate section chief of the Shenzhen branch of Bank of China from January 1997 to May 2001, the credit section chief of the Shekou/Shenzhen Nanshan sub-branch of China Construction Bank from December 1993 to December 1996, and the assistant to the president of the Shekou sub-branch of China Merchants Bank from December 1992 to December 1993.

Mr. Zhang graduated from Beijing Jiaotong University in 1982 and from the graduate school of management, State University of New York in 1986. Mr. Zhang became a senior economist in 1995.

李　梅, aged 61, was appointed as a non-executive Director on 24 December 2024. Ms. Li has extensive experience in providing legal services in the fields of securities and capital markets, foreign investment, oversea investment, private equity investment, acquisitions and mergers and restructuring, banking and financing. Ms. Li worked as a lawyer at Sichuan Economic Law Firm from 1988 to 1994. She co-founded Sichuan Huigao Law Firm in December 1994 and served as a partner until 2012. Ms. Li joined Jingtian & Gongcheng Chengdu Office as a partner in 2012, and has been serving as the managing partner of Jingtian & Gongcheng Chengdu Office since 2019.

Ms. Li graduated from Sichuan International Studies University in 1986 with a bachelor's degree in English, and graduated from the Law School of Sichuan University in 1992 with a master's degree in law, and was a visiting scholar at the University of London from 1992 to 1993. Ms. Li qualified as a lawyer in the PRC in 1988.

Ms. Li was recognized as a Leading Talent of Foreign-related Legal Services in Chengdu in 2016, a member of Expert Group on Foreign-related Legal Affairs of the Construction of Chengdu Free Trade Zone and the Belt

益　, aged 55, was appointed as an independent non-executive Director of the Company on 24 June 2018. Mr. Cheng is also a member of the audit committee and nomination committee and the chairman of the remuneration committee of the Company. Mr. Cheng has been an independent non-executive director of Golden Throat Holdings Group Co., Ltd. (stock code: 6896.HK) since 10 February 2015; an independent director of Shanghai Bolex Food Technology Co., Ltd. (603170.SH), since September 2020; and an independent director of Guangdong Faith Long Crystal Technology Co., Ltd (廣東惠倫晶體科技股份有限公司) (stock code: 300460.SZ) since 2 July 2021. Mr. Cheng has over 20 years' experience in providing legal services. He joined Commerce & Finance Law Offices in 2001 and has been a partner since 2009. Mr. Cheng Yiqun served as an independent director of Wuhan Sinoeco Ecological Science and Technology CO., Ltd. (武漢中科瑞華生態科技股份有限公司) since September 2020, and resigned on 31 December 2024.

Mr. Cheng obtained a bachelor's degree in laws from Wuhan University in Wuhan, Hubei Province, the PRC in July 1997. Mr. Cheng is a PRC practicing lawyer recognized by the Ministry of Justice of the PRC in August 2009.

, aged 52, was appointed as a Director on 24 January 2017, appointed as an executive Director on 31 January 2018 and was designated as the chairman of the Board and the chief executive officer of the Company on 26 June 2018. Please refer to "Directors and Senior Management – The Board of Directors" for details of his biography.

王　, aged 44, has been the chief financial officer, an executive Director and a joint company secretary of the Company since 31 January 2018. Please refer to "Directors and Senior Management – The Board of Directors" for details of his biography.

The Board presents their report together with the audited financial statements of the Company and its subsidiaries for the year ended 31 August 2025.

The Company was incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Companies Law Chapter 22 of the Cayman Islands on 24 January 2017. The principal place of business of the Company in Hong Kong is located at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

The Company's Shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 12 July 2018.

The Company is a leading comprehensive education service provider in the PRC. We primarily offer comprehensive education management and diversified services to our customers.

Under the section "Management Discussion and Analysis", we conduct a review on the business of the Group, analysis of the Group's financial performance, future development of our business and events affecting the Company that have occurred since the end of the financial year.

In our business, we are subject to the following principal risks and uncertainties:

1. Our business and results of operations mainly depend on the level of comprehensive education service fees we are able to charge and our ability to maintain and raise comprehensive education service fees.

2. We face intense competition in the PRC education sector, which could lead to adverse pricing pressure, reduced operating margins, loss of market share, departure of qualified teachers and increasing capital expenditure.

3. Our business is heavily dependent on the market recognition of our "Tianli" brand and the reputation of our school network.

4. Our business relies on our ability to attract and retain our senior management, dedicated and qualified teachers and other personnel.

5. We may not be able to successfully execute our growth strategies or effectively manage our growth, which may hinder our ability to capitalize on new business opportunities.

6. Depreciation charge and interest expense incurred over the construction period of new self-owned schools and the expansion of our existing schools may result in a decrease in our net profit margin.

7. Our education business depends on our ability to promptly and adequately respond to changes in admission requirements for higher-level education and testing materials.

8. Our school students' academic performance may fall and satisfaction with our educational services may decline.

9. We are subject to various approvals, licenses, permits, registrations and filings for our education and other services in the PRC.

10. We are subject to extensive governmental approvals and compliance requirements for establishing our campuses and school premises.

11. Capacity constraints of our school facilities could limit our ability to grow and we are subject to regulatory guidance relating to the ratios between school site area/building area and the number of enrolled students.

12. New legislation or changes in the PRC regulatory requirements regarding private education may affect our business operations and prospects.

13. Our business may be subject to seasonal fluctuations, which may cause our operating results to fluctuate from quarter to quarter.

The Company is committed to improving environmental sustainability and will closely monitor the performance. In accordance with Rule 13.91 of and Appendix C2 to the Listing Rules, details of environmental policies and performance of the Company are set out in "Environmental, Social and Governance Report" on pages 183 to 216 of this report. We have complied with the "comply or explain" provisions set out in the ESG Reporting Guide in Appendix C2 to the Listing Rules.

During the year ended 31 August 2025, the Group was not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Company.

In relation to non-compliance of all the relevant requirements with the contributions to the social insurance plans and the housing provident fund for the employees of the Company as disclosed in the Prospectus, we have committed to taking correction measures. As at 31 August 2025, our Company has established sufficient provision on contributions to the social insurance plans and the housing provident fund.

In relation to the compliance with the Qualification Requirement, we have adopted a specific plan and have commenced taking concrete steps which we reasonably believe are meaningful endeavors to demonstrate compliance with the requirement. For details, please refer to the section headed "Financial Review" on pages 16 to 25 of this report.

The Company maintains a good relationship with its employees, customers and suppliers in order to ensure smooth business operation.

The results of the Group for the year ended 31 August 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 91 of this report.

In considering the payment of dividends, the Company takes various factors into account, including but not limited to the Company's financial performance, the business conditions and strategies, the capital requirements, statutory and regulatory restrictions and any other factors which the Company may deem relevant.

The declaration and payment of future dividends will depend upon, among other things, financial condition, future earnings, cash flow, liquidity level, business prospects and other relevant factors. Our Company endeavours to enhance shareholders return by way of dividend distribution. However, any dividend payment to shareholders is not guaranteed.

The Board recommends the payment of a final dividend of RMB3.90 cents (equivalent to 4.29 HK cents, according to the central parity rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 28 November 2025, i.e. RMB0.9099 equivalent to HKD1.00) (Year ended 31 August 2024: RMB4.08 cents) per Share for the year ended 31 August 2025 to be paid on Friday, 27 February 2026 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 10 February 2026, representing a dividend payout of approximately RMB81.75 million (equivalent to approximately HKD89.92 million) (based on the number of issued Shares as at the date of this report, excluding 13,227,000 Shares repurchased but not yet cancelled of even date). The recommendation of payment of the final dividend is subject to the Shareholders' approval at the forthcoming AGM of the Company.

For determining the entitlement to attend and vote at the AGM to be held on Wednesday, 28 January 2026, the register of members of the Company will be closed from Friday, 23 January 2026 to Wednesday, 28 January 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be qualified for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company' v.6 0.065 Tw Services Limit5 (I)0thetwill be rop1 T712-T7161 (Comp 17)nclusiveFnclusilooenwill be

Details of movements in property, plant and equipment during the year are set out in note 13 to the consolidated financial statements.

Particulars of bank borrowings of the Group as at 31 August 2025 are set out in note 26 to the consolidated financial statements.

Details of the movements in share capital of the Company are set out in note 28 to the consolidated financial statements.

Details of the movements in the reserves of the Group during the year ended 31 August 2025 are set out in the section headed “Consolidated Statement of Changes in Equity” on pages 94 to 95 of this report. The distributable reserves of the Company as at 31 August 2025 were RMB789 million.

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company

Mr. Liu Kai Yu Kenneth
Mr. Yang Dong
Mr. Cheng Yiqun

The Company has received, from each of the independent non-executive Directors an annual confirmation of his independence. Based on such confirmations, the Company considers that all of the independent non-executive Directors are independent in accordance with the guidelines set out in Rule 3.13 of the Listing Rules.

Each of the Directors has signed a service contract with us. The term of office of our Directors will end on 11 July 2027 (for Mr. Luo Shi, Mr. Wang Rui, Mr. Liu Kai Yu Kenneth, Mr. Yang Dong and Mr. Cheng Yiqun), 23 December 2027 (for Ms. Li Xiaomei) and 24 April 2026 (for Mr. Pan Ping and Mr. Zhang Wenzao), respectively.

Under their respective service contracts, each of the Directors is entitled to a fixed fee. The appointments are

Save as disclosed in note 33 to the consolidated financial statements headed “Related Party Transactions and Balances” and the section headed “Continuing Connected Transactions” of this report below, no Director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party as at 31 August 2025 or at any time during the year ended 31 August 2025.

During the year ended 31 August 2025, neither our Controlling Shareholders (as defined in the Listing Rules) nor any of our Directors were interested in the business of operating private education for primary, middle and high schools, other than our Group, which, competes or is likely to compete, either directly or indirectly, with our Group’s business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

Our Controlling Shareholders executed the deed of non-competition (the “ ”) in favour of the Company to the effect that each of them will not, and will procure each of their respective close associates (other than members of our Group) to not directly or indirectly, carry on, engage, invest, participate, or otherwise be interested in any business which competes or is likely to compete with any of the existing and/or future businesses carried on by any member of our Group (the “ ”).

On 19 June 2018, the Company entered into a school construction cooperation framework agreement with Nanyuan Construction (the “ ”), pursuant to which Nanyuan Construction will, if engaged by our PRC Operating Entities, provide construction services, including construction, rectification and maintenance, for schools sponsored/owned by our PRC Operating Entities. The term of the School Construction Framework Agreement is three years commencing on 1 January 2018. In light of the business needs of the Company and the benefits of continuing the existing

During the year ended 31 August 2025, the transaction amount between the Company and Nanyuan Construction under the 2024 School Construction Framework Agreements paid/payable by the Company was approximately RMB60.7 million.

Nanyuan Construction is wholly-owned by Tianli Holding, which in turn is indirectly owned as to approximately 75.80% by Mr. Luo Shi. Mr. Luo Shi is an executive Director, the chairman, the chief executive officer and a Controlling Shareholder of the Company. As such, Mr. Luo Shi is a connected person of our Company pursuant to Rule 14A.07(1) of the Listing Rules. Nanyuan Construction is a 30%-controlled company indirectly held by Mr. Luo Shi and hence an associate of Mr. Luo Shi pursuant to Rule 14A.12(1)(c) of the Listing Rules, and is therefore a connected person of our Company. Accordingly, the 2021 School Construction Framework Agreement, the 2024 School Construction Framework Agreement, the 2024 School Construction Supplemental Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

For details, please refer to the Prospectus, the announcements of the Company dated 16 April 2019, 9 September 2021, 17 July 2024 and 16 August 2024, and the circulars of the Company dated 21 June 2019, 20 September 2021 and 6 September 2024.

As disclosed in the section headed “Structured Contracts – Operation of the Structured Contracts – Background of the Structured Contracts” in the Prospectus, PRC laws and regulations currently prohibit foreign ownership of primary and middle school in the PRC and restrict the operation of preschools, high schools and tutorial centers to Sino-foreign ownership, in addition to imposing a qualification requirement on foreign owners. Further, government approval in respect of Sino-foreign ownership has been withheld. As a result, our Group, through the wholly-owned subsidiary of our Company, Tibet Yongsi, has entered into the Structured Contracts so that we can conduct our business operations indirectly in the PRC through our PRC Operating Entities while complying with applicable PRC laws and regulations. The Structured Contracts are designed to provide our Group with effective control over the financial and operational policies of our PRC Operating Entities and, to the extent permitted by PRC law and regulations, the right to acquire the equity interest in and/or the assets of our PRC Operating Entities after the Listing through Tibet Yongsi. As we operate our K-12 and tutorial center education business through our PRC Operating Entities, which are controlled by Tianli Education, and we do not hold any direct equity interest in our PRC Operating Entities, the Structured Contracts were entered into pursuant to which all material business activities of our PRC Operating Entities are instructed and supervised by our Group, through Tibet Yongsi. Except for Affected Business as mentioned in the section headed “Regulatory Updates” in Management Discussion and Analysis, economic benefits arising from other business activities of our PRC Operating Entities are transferred to our Group.

The Company believes the following risks are associated with the Structured Contacts. Further details are set out in on pages 49 to 57 of the Prospectus.

- The PRC government may determine that the Structured Contracts do not comply with applicable PRC laws and regulations, which may subject to severe penalties, and our business may be materially and adversely affected.(The PRC (lt ko0.6 (affe7r(ad)0.6u3)0.5 -21870.6 (ject)5.)0.6 rject)5ucjecttoma

As disclosed in the section headed “Regulatory Updates” in Management Discussion and Analysis, the legal enforceability of the Structured Contracts against the Affected Business is in substantial uncertainty from 1 September 2021, the effective date of the Implementation Regulations. Taking into account the advice from the Group’s PRC legal advisors, the Board is of the opinion that the Group’s ability to acquire variable returns through Exclusive Business Cooperation Agreement from Affected Business has been terminated since 1 September 2021.

As at the date of this report, the national and local governments have not yet issued corresponding classification management regulations and rules in respect of the Implementation Regulations. We will continue to monitor the implementation of the Implementation Regulations in different regions and continue to assess its subsequent impact on the Company and will make further announcement(s) as and when appropriate.

Below is a summary of the Structured Contracts. For details, please refer to the section headed “Structured Contracts” of the Prospectus.

Pursuant to the Exclusive Business Cooperation Agreement, Tibet Yongsi shall provide technical services, management support and consulting services necessary for the private education business, and in return, our PRC Operating Entities shall make payments accordingly.

Under the Exclusive Call Option Agreement, the Registered Shareholders and Tianli Education have irrevocably granted Tibet Yongsi or its designated purchaser the right to purchase all or part of the school sponsor interests or equity interests in the PRC Operating Entities owned by the Registered Shareholders and the relevant PRC Operating Entities (“ ”). The purchase price payable by Tibet Yongsi in respect of the transfer of such school sponsor interests or equity interests upon exercise of the Call Option shall be the lowest price permitted under the PRC laws and regulations. Tibet Yongsi or its designated purchaser shall have the right to purchase such proportion of the school sponsor interests or equity interests of related PRC Operating Entities as it decides at any time.

Pursuant to the School Sponsor’s and Directors’ Rights Entrustment Agreement, our PRC Operating Entities have irrevocably authorized and entrusted Tibet Yongsi to exercise all their rights as school sponsor to the extent permitted by PRC laws. These rights include, but are not limited to: (a) the right to appoint and/or elect directors of the schools; (b) the right to appoint and/or elect supervisors of the schools; (c) the right to understand the operation and financial situation of the schools; (d) the right to review the resolutions and records of the Board and financial statements and reports of the schools; (e) the right to obtain reasonable returns as school sponsor of the schools in accordance with the laws and the articles of association of each school; (f) the right to acquire residual assets upon liquidation of the schools in accordance with the laws and the articles of association of each school; (g) the right to transfer school sponsor interest in accordance with the laws; (h) the right to choose for the school to be a for-profit school or not-for-profit school pursuant to applicable PRC laws and regulations and the articles of association of each school as amended from time to time; and (i) other school sponsor’s rights pursuant to applicable PRC laws and regulations and the articles of association of each school as amended from time to time.

Pursuant to the School Sponsor's Powers of Attorney executed by the relevant PRC Operating Entities who are school sponsors for our PRC Operating Schools in favor of Tibet Yongsi, each of the relevant PRC Operating Entities authorized and appointed Tibet Yongsi as its agent to act on its behalf to exercise or delegate the exercise of all its rights as school sponsor of each of our PRC Operating Schools. For details of the rights granted, see the paragraph headed "Structured Contracts – Operation of the Structured Contracts – Summary of the Material Terms of the Structured Contracts – (3) School Sponsor's and Directors' Rights Entrustment Agreement" of the Prospectus.

Pursuant to the Directors' Powers of Attorney executed by each of the Appointees in favor of Tibet Yongsi, each of the Appointees authorized and appointed Tibet Yongsi as his/her agent to act on his/her behalf to exercise or delegate the exercise of all of his/her rights as directors of our PRC Operating Schools. For details of the rights granted, see the paragraph headed "Structured Contract – Operation of the Structured Contracts – Summary of the Material Terms of the Structured Contracts – (3) School Sponsor's and Directors' Rights Entrustment Agreement" of the Prospectus.

Pursuant to the Shareholders’

Pursuant to the Equity Pledge Agreement, each of the Registered Shareholders unconditionally and irrevocably pledged and granted first priority security interests over all of his equity interest in Tianli Education together with all related rights thereto to Tibet Yongsi as security for performance of the Structured Contracts and all direct, indirect or consequential damages and foreseeable loss of interest incurred by Tibet Yongsi as a result of any event of default on the part of the Registered Shareholders or our PRC Operating Entities and all expenses incurred by Tibet Yongsi as a result of enforcement of the obligations of the Registered Shareholders or our PRC Operating Entities under the Structured Contracts.

Pursuant to the Loan Agreement, Tibet Yongsi agreed to provide interest-free loans to Tianli Education in accordance with the PRC laws and regulations and Tianli Education agreed to utilize the proceeds of such loans to contribute as capital to our PRC Operating Schools directly or through the relevant PRC Operating Entity in its capacity as school sponsor of our PRC Operating Schools in accordance with our instructions. Both parties agree that all such capital contribution will be directly settled by Tibet Yongsi on behalf of Tianli Education.

Mr. Luo Shi is and will continue to be a Director and a Controlling Shareholder of our Company, and therefore a connected person of our Company under Rule 14A.05f our Cocg a ..6 (67any, an2.8890.091 Tw 0 -1.444 Td a lldenotols str o(a oura Yongsi a8ectly or)]TJ0.0(ur Crucnsace wituo She0.6ether.6 (Cour C-1.444 Td(of the Structurole

In view of the Structured Contracts, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement, circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Structured Contracts pursuant to Rule 14A.105 of the Listing Rules, and (ii) the requirement of setting an annual cap for the transactions under the Structured Contracts under Rule 14A.53 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject however to the following conditions:

(a) No change without independent non-executive Directors' approval

No change to the Structured Contracts will be made without the approval of the independent non-executive Directors.

(b) No change without independent Shareholders' approval

Save as described in paragraph (d) below, no change to the agreements governing the Structured Contracts will be made without the approval of our Company's independent Shareholders. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Structured Contracts in the annual reports of our Company (as set out in paragraph (e) below) will however continue to be applicable.

(c) Economic benefits flexibility

The Structured Contracts shall continue to enable our Group to receive the economic benefits derived by our PRC Operating Entities through (i) our Group's option, to the extent permitted under PRC laws and regulations, to acquire, all or part of the school sponsors' interests/equity interests in our PRC Operating Entities at the lowest possible amount permissible under the applicable PRC laws and regulations; (ii) the business structure under which the net profit generated by our PRC Operating Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to Tibet Yongsi by our PRC Operating Entities under the Exclusive Business Cooperation Agreement; and (iii) our Group's right to control the management and operation of, as well as, in substance, all of the voting rights in our PRC Operating Entities.

(d) Renewal and reproduction

On the basis that the Structured Contracts provide an acceptable framework for the relationship between our Company and its subsidiaries, on one hand, and our PRC Operating Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company (including any branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Structured Contracts. The directors, chief executive or substantial shareholders of any existing or new wholly foreign owned enterprise or operating company (including any branch company), and engaging in the same business as that of our Group (which our Group may establish) will, upon renewal and, or reproduction of the Structured Contracts, however be treated as connected persons of our Company, and transactions between these connected persons and our Company other than those under similar Structured Contracts shall comply with Chapter 14A of the Listing Rules. This condition is subject to the relevant PRC laws, regulations and approvals.

(e) Ongoing reporting and approvals

Our Group will disclose details relating to the Structured Contracts on an ongoing basis as follows:

- The Structured Contracts in place during each financial period will be disclosed in our Company's annual report in accordance with relevant provisions of the Listing Rules.

- Our independent non-executive Directors will review the Structured Contracts annually and confirm in our Company's annual report as per the section headed "Connected Transactions "

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Our independent non-executive Directors have reviewed the transactions under the 2024 School Construction Framework Agreements and the Structured Contracts for the year ended 31 August 2025 (the " "), and confirmed that:

1. the CCTs have been entered in the ordinary course of business of the Company and its subsidiaries;

2. the CCTs have been carried out under normal commercial terms or better;

3. the CCTs have been entered into in accordance with the terms of the agreements which are fair and reasonable and in the interests of our Shareholders as a whole;

4. the transactions under the Structured Contracts for the year ended 31 August 2025 have been entered into and executed in accordance with the relevant provisions under the Structured Contracts, to ensure that the profits generated by the consolidated operating entities within the Group for the year ended 31 August 2025 have been retained by the Group;

5. no dividends or other distributions were paid by the consolidated operating entities within the Group to the sponsors of the schools or the interests/equities holders of the schools, where such dividends or distributions are not transferred to the Group; and

6. the Structured Contracts and, any new contracts entered into, renewed or reproduced between our Group and our PRC Operating Entities during the year ended 31 August 2025 are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of our Shareholders as a whole.

The auditors of the Company has confirmed in a letter to the Board that, with respect to the transactions entered into under the 2024 School Construction Framework Agreements and the Structured Contracts in the year ended 31 August 2025:

1. nothing has come to their attention that causes the auditors to believe that the transactions under the 2024 School Construction Framework Agreements and the Structured Contracts have not been approved by the Board;

2. nothing has come to their attention that causes the auditors to believe that the transactions under the 2024 School Construction Framework Agreements and the Structured Contracts were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

3. nothing has come to their attention that causes the auditors to believe that the transactions under the 2024 School Construction Framework Agreements have exceeded the annual caps as set by the Company; and

4. nothing has come to their attention that causes the auditors to believe that dividends or other distributions have been made by the PRC Operating Entities and newly established schools subsequently, to the holders of the school sponsor's interest/equity interest which are not otherwise subsequently assigned or transferred to the Group.

The related party transactions undertaken during the year ended 31 August 2025 are set out in note 33 to the consolidated financial statements, among which, item (c)(1) also constituted continuing connected transaction as defined in Chapter 14A of the Listing Rules, item (c)(2) constitutes a fully exempt continuing connected transaction under Chapter 14A of the Listing Rules, while items (c)(4), (c)(5) and (c)(6) do not constitute connected transactions under Chapter 14A of the Listing Rules. The Company has complied with all disclosure requirements as set out in Chapter 14A of the Listing Rules. For details of the continuing connected transaction, please refer to the announcements of the Company dated 16 April 2019, 9 September 2021, 17 July 2024 and 16 August 2024, and the circulars of the Company dated 21 June 2019, 20 September 2021 and 6 September 2024.

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 August 2025.

As at 31 August 2025, the interest and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required pursuant to the Model Code to be notified to the Company and the Stock Exchange are set out as follows:

Mr. Luo Shi *(Note 1)*	Beneficial interest	30,000,000	
	Interest of a controlled corporation	896,977,316	
	Interest of spouse	1,956,520	
	Beneficiary of a trust	6,521,733	
		935,455,569	44.35%
Mr. Wang Rui *(Note 2)*	Beneficial interest	7,000,000	
	Beneficiary of a trust	1,956,520	
		8,956,520	0.42%
Mr. Zhang Wenzao	Beneficial interest	1,702,000	0.08%
Mr. Pan Ping *(Note 3)*	Interest of spouse	13,043,289	0.62%

Notes:

(1) Mr. Luo Shi is an executive Director, the chairman and the chief executive officer of the Company and holds 100% of the issued share capital of Sky Elite Limited, which in turn holds 896,977,316 Shares. In addition, Ms. Tu Mengxuan has been granted 1,956,520 Shares under the Pre-IPO Restricted Share Award Scheme, all of which have been vested.

As at 31 August 2025, the Group employed 6,096 employees (as at 31 August 2024: 5,668).

The staff costs, including Directors' emoluments, net of government grant released and subsidies received, of the Group were approximately RMB689.2 million for the Reporting Year (2024: approximately RMB721.8 million).

The Group promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high-calibre staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees ' performance, qualification and experience). On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as individual's performance.

In accordance with the relevant PRC laws and regulations, the Group contributes to the PRC social security fund (including pension insurance, medical insurance, unemployment insurance, maternity insurance and work injury insurance) and housing provident fund for its PRC employees. The Group's full-time employees in the PRC participate in a number of government-sponsored defined contribution retirement schemes under which employees are entitled to a monthly pension calculated according to certain formulas. The relevant government agencies assume the responsibility of pension payments to these retired employees. The Group makes monthly contributions to these pension schemes. Under these schemes, the Group has no obligation for post-retirement benefits other than the contributions made. Contributions to these schemes are expensed as incurred and contributions made to these defined contribution pension schemes on behalf of an employee cannot be used to reduce the Group's future obligations under these defined contribution pension schemes even if the employee leaves the Group.

(c) Maximum number of share awards

The maximum number of share awards that may be granted under the Pre-IPO Restricted Share Award Scheme in aggregate (excluding share awards that have lapsed or been cancelled in accordance with the rules of the Pre-IPO Restricted Share Award Scheme) shall be such number of Shares held or to be held by the Trustee for the purpose of the Pre-IPO Restricted Share Award Scheme from time to time, and which shall in any event, be no more than 107,178,158 Shares (the number of Shares is based on the completion of the capitalization issue and the global offering), representing approximately 5.08% of the issued share capital of the Company as at the date of this report. Our Company will not further grant share awards under the Pre-IPO Restricted Share Award Scheme.

(d) Administration of the Pre-IPO Restricted Share Award Scheme

The Pre-IPO Restricted Share Award Scheme shall be subject to the administration of the Board, and the decision of the Board shall be final and binding on all parties. The Board may delegate the authority to administer the Pre-IPO Restricted Share Award Scheme to any committee thereof or any third party duly appointed thereby, including without limitation third-party service providers and professional trustees (collectively, the " "). The powers of the Board include and are not limited to:

(i) construe and interpret the Pre-IPO Restricted Share Award Scheme, make factual determinations with respect to the administration of the Pre-IPO Restricted Share Award Scheme, further define the terms used in the Pre-IPO Restricted Share Award Scheme; and prescribe, amend and rescind

(f) Restrictions on share awards

Each share award shall be subject to a restricted period starting from the date of grant of each such share award and ending upon the date when the Shares become listed on the Stock Exchange and the date upon which the relevant participant completes the relevant approval and filing procedures in respect of his/her share awards/shares in accordance with the Huifa [2012] No. 7 Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning the Domestic Individuals' Participation in the Exchange Administration of Equity Incentive Plans of Overseas Listed Companies (if applicable) and other applicable laws and regulations (whichever is later) (the " ").

The share awards and any interest therein may not be enjoyed, sold, assigned, transferred, pledged,

(h) Lapse of share awards

Any unvested share award will automatically lapse under the scenarios set out below:

(i) the participant's employment with or service for the Group terminates for any reason except retirement, early retirement due to health problem, permanent disablement, death during employment or redundancy;

(ii) the participant is involved in businesses that are competing with or similar to the Group during his employment period without prior approval from the Company;

(iii) the company employing the participant ceases to be a subsidiary or an affiliate of the Company;

(iv) the participant makes any attempt or takes any action to sell, transfer, charge, encumber, hedge or create any interest in favour of any other person over or in relation to any unvested share awards or any interests or benefits pursuant to the unvested share awards;

(v) the participant violates relevant rules under his/her respective local labour laws, or breaches the employment agreement or non-disclosure agreement with the Group; or

(vi) merger, bankruptcy, insolvency, liquidation and winding up and any other similar events of the Company.

Once share awards have lapsed and after the Shares of the Company are listed on the Stock Exchange, the Company will instruct the Trustee to sell that certain portion of the Shares underlying such share awards that remain unvested on the open market. If the sale proceeds are less than the sum of the purchase price that was paid by the participant to acquire the corresponding interests in Tianli Education as specified in the grant letter and such additional amount so as to provide the participant with a rate of return of fifteen percent (15%) per annum as expected proceeds, (1) the Trustee will continue to sell the Shares which are assets of the Trust to be used for the operation and maintenance of the Trust and pay the proceeds to the relevant Participant until the expected proceeds are fully paid; and (2) if the sale proceeds and all the assets of the Trust to be used for the operation and maintenance of the Trust are still not enough to pay the expected proceeds, such shortage shall be paid by Mr. Luo Shi to such Participant. In the event that the sale proceeds are more than expected proceeds, the surplus amount will become assets of the Trust to be used by the Trustee for the administration and operation of the trust.

All the 107,178,158 Shares under the Pre-IPO Restricted Share Award Scheme were granted before the listing of the Company in July 2018. Except for lapsed and cancelled shares, all shares had vested by 31 August 2024. During the Reporting Year, no shares were granted, lapsed, cancelled, or vested under the Pre-IPO Restricted Share Award Scheme.

The remaining life of the Pre-IPO Restricted Share Award Scheme is approximately 2 years and 1 month as at the date of this report.

The following is a summary of principal terms of the Share Option Scheme conditionally approved by a resolution of our Shareholders passed on 24 June 2018 and adopted by a resolution of the Board on the same date.

The purpose of the Share Option Scheme is to give the eligible persons an opportunity to have a personal stake in our Company and help motivate them to optimize their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of executives, to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

The Board may, at its absolute discretion, offer options to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to:

(a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Group, any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of our Group;

(b) a director or proposed director (including an independent non-executive director) of any member of our Group;

(c) a direct or indirect shareholder of any member of our Group;

(d) a supplier of goods or services to any member of our Group;

(e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group;

(f) a person or entity that provides design, research, development or other support or any advisory,

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Group shall not in aggregate exceed 10% of the Shares in issue as at the listing date (such 10% limit representing 200,000,000 Shares excluding Shares which may fall to be issued upon the exercise of the over-allotment option granted by our Company) (the “ ”), representing 9.48% of the issued Shares as at the 4elglby exc000 Sche

No option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of options granted and to be granted to that person in any 12-month period exceeds 1% of our Company's issued share capital from time to time. Where any further grant of options to such an eligible person would result in our Shares issued and to be issued upon exercise of all options granted and to be granted to such eligible person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our Shares in issue, such further grant shall be separately approved by our Shareholders in general meeting with such eligible person and his close associates (or his associates if such eligible person is

The Board shall not grant any option under the Share Option Scheme after inside information has come to its knowledge until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and the deadline for our Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements.

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by our Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the option in respect of any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the option can be exercised.

An offer of the grant of an option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the offer date provided that no such grant of an option may be accepted after the expiry of the effective period of the Share Option Scheme. An option shall be deemed to have been granted and accepted by the eligible person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the option duly signed by the grantee together with a remittance in favor of our Company of HKD1.0 by way of consideration for the grant thereof is received by our Company on or before the date upon which an offer of an option must be accepted by the relevant eligible person, being a date no later than 28 days after the offer date. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the option. To the extent that the offer of the grant of an option is not accepted by 28 days after the offer date, it will be deemed to have been irrevocably declined.

(ii) in the event that the grantee ceases to be an executive for any reason (including his or her employing company ceasing to be a member of our Group) other than his or her death, permanent disability, retirement pursuant to such retirement scheme applicable to our Group at the relevant time or the transfer of his or her employment to an affiliate company or the termination of his or her employment with the relevant member of our Group by resignation or termination for cause, the option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;

(iii) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of our Shareholders (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by our Company;

(iv) if a compromise or arrangement between our Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company, our Company shall give notice thereof to the grantees who have options unexercised at the same time as it dispatches notices to all members or creditors of our Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his or her legal representatives or receiver) may until the expiry of the earlier of:

(1) the option period;

(2) the period of two months from the date of such notice; or

(3) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his or her option.

(v) in the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees and thereupon, each grantee (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her options at any time not later than two Business Days (as defined in the Listing Rules) prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day (as defined in the Listing Rules) immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

Subject to the terms of this Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects.

All options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

An option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:

(a) the expiry of the option period;

(b) the expiry of any of the period referred to paragraphs related to exercise of the option;

(c) subject to the terms of the period mentioned in the paragraph headed "—11. Exercise of Option" in this section, the date of the commencement of the winding-up of our Company;

(d) there is an unsatisfied judgment, order or award outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;

(e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in this Share Option Scheme with respect to the exercise of the option;

(f) a bankruptcy order has been made against any director or shareholder of the grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

In the event of any alteration to the capital structure of our Company while any option remains exercisable, whether by way of capitalization of profits or reserves, right issue, consolidations, reclassification, reconstruction, sub-division or reduction of the share capital of our Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

(a) the maximum number of Shares subject to the Share Option Scheme; and/or

(b) the aggregate number of Shares subject to the option so far as unexercised; and/or

(c) the subscription price of each outstanding option.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalization issue), the auditors appointed by our Company shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable, provided that:

(a) any such adjustments shall give the eligible persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalization issue, the auditors shall confirm to the Board in writing that the adjustments satisfy this requirement;

(b) any such adjustments shall be made on the basis that the aggregate subscription price payable by the grantee on the full exercise of any option shall remain as nearly as practicable same as (but shall not be greater than) it was before such event;

(c) no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;

(d) any such adjustments shall be made to in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and

(e) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

The Board shall be entitled for the following causes to cancel any option in whole or in part by giving notice in writing to the grantee stating that such option is thereby cancelled with effect from the date specified in such notice (the " "):

(a) the grantee commits or permits or attempts to commit or permit a breach of restriction on transferability of option or any terms or conditions attached to the grant of the option;

(b) the grantee makes a written request to the Board for the option to be cancelled; or

(c) if the grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of our Company or its subsidiary.

The option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank pari passu in all respects with the then existing fully paid Shares in issue commencing from (i) the allotment date or, (ii) if that date falls on a day when the register of members of our Company is closed, the first date of the reopening of the register of members. Accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the allotment date or, (ii) if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the allotment date.

Share issued upon the exercise of an option shall not carry rights until the registration of the grantee (or any other person) as the holder thereof.

Our Company may by resolution in general meeting at any time terminate the operation of the Share Option Scheme. Upon termination of the Share Option Scheme as aforesaid, no further options shall be offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

The option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt to do so (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding option or part thereof granted to such grantee.

The Share Option Scheme may be altered in any respect by a resolution of the Board except that the following shall not be carried out except with the prior sanction of an ordinary resolution of our Shareholders in general meeting:

(a) any material alteration to its terms and conditions or any change to the terms of options granted (except where the alterations take effect under the existing terms of the Share Option Scheme);

(b) any alteration to the provisions of the Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of grantee;

(c) any change to the authority of the Board or any person or committee delegated by the Board pursuant to the Share Option Scheme to administer the day-to-day running of the scheme; and

(d) any alteration to the aforesaid alteration provisions,

provided always that the amended terms of the Share Option Scheme shall comply with the applicable requirements of the Listing Rules.

On 10 March 2023, the Company granted an aggregate of 61,000,000 share options (where each share option shall entitle the relevant grantee to subscribe for one Share) to eligible participants pursuant to the Share Option Scheme. For further details, please refer to the announcement of the Company dated 10 March 2023 and the circular of the Company dated 6 April 2023.

On 24 October 2024, the Company granted an aggregate of 9,400,000 share options (where each share option shall entitle the relevant grantee to subscribe for one Share) to eligible participants pursuant to the Share Option Scheme. For further details, please refer to the announcement of the Company dated 24 October 2024.

On 2 December 2025, the Company granted an aggregate of 12,000,000 share options (where each share option shall entitle the relevant grantee to subscribe for one Share) to eligible participants pursuant to the Share Option Scheme. For further details, please refer to the announcement of the Company dated 2 December 2025.

Since the adoption date to the date of this report, an aggregate of 70,400,000 share options had been granted to eligible participants. During the Reporting Year, 3,300,000 share options granted under the Share Option Scheme had been exercised, no share options granted under the Share Option Scheme had been cancelled, and a total of 6,400,000 share options granted under the Share Option Scheme had lapsed. As at 31 August 2025, the number of outstanding share options was 59,200,000.

The total number of share options available for grant under the Share Option Scheme mandate at the beginning and the end of the Reporting Year were 140,500,000 and 137,500,000, respectively.

The number of Shares that may be issued in respect of options granted under the Share Option Scheme of the Company during the Reporting Year (i.e. 59,200,000 Shares) divided by the weighted average number of Shares in issue for the Reporting Year (i.e. 2,110,479,000 Shares) is 0.03.

Details of the interests of the grantees under the Share Option Scheme are as follows:

								(HK$)
Mr. Luo Shi	10 March 2023	30,000,000	30,000,000	0	0	0	30,000,000	N/A
Mr. Wang Rui	10 March 2023	7,000,000	7,000,000	0	0	0	7,000,000	N/A
	10 March 2023	22,000,000	20,500,000	1,900,000	0	4,400,000		

The maximum number of award Shares that may be granted under the Restricted Share Award Scheme in aggregate shall be no more than 75,000,000 Shares, representing approximately 3.56% of the issued share capital of the Company as at the date of this report.

Pursuant to the Restricted Share Award Scheme, the maximum number of award Shares to be granted to each category of the selected participants is as follows:

Group Vice President	4,000,000
General Manager	2,000,000
School District Principal, Senior Manager, Deputy Manager	1,300,000
School Section Principal	650,000
School Backup Senior Management	400,000

Pursuant to the resolution of the Board dated 16 September 2025 amending the Restricted Share Award Scheme, notwithstanding the foregoing and subject to the Listing Rules and applicable laws, the Board shall have the discretion, at its sole determination and under circumstances it deems appropriate, to waive or modify such maximum amount as it considers necessary.

The Restricted Share Award Scheme shall be subject to the administration of the Board and the Trustee in accordance with the scheme rules and the trust deed. The Board may act through its authorized representative and has duly authorised the chief executive officer of the Company to give instructions or and nee anc

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Pursuant to the Restricted Share Award Scheme rules, the Board shall cause to pay the Trustee the purchase price and the related expenses from the Group's resources for the award Shares and the Trustee shall apply the purchase price to purchase from the market all of the award Shares to be awarded under the Restricted Share Award Scheme and shall hold such Shares until they are vested with the selected participants in accordance with the Restricted Share Award Scheme rules and the trust deed. For the avoidance of doubt, all Shares purchased as aforesaid shall only be used for allocation to the selected participants in accordance with the Restricted Share Award Scheme rules.

The award Shares and any rights and interests (including voting rights) therein may not be enjoyed, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by the selected participants before the award Shares are vested. The Board may also imposed additional restrictions as it deems appropriate and set out the same in the award notice.

A selected participant shall be entitled to receive the award Shares held by the Trustee in accordance with the following vesting schedule and the selected participants shall be responsible for all the taxes, stamp duty, levies and charges applicable to the grant and vesting of the award Shares:

i. 10% of a selected participant's award Shares shall become vested upon each of the first anniversary, the second anniversary, the third anniversary, the fourth anniversary and the fifth anniversary after the grant of the award Shares; and

ii. 50% of a selected participant's award Shares shall become vested upon the sixth anniversary after the grant of the award Shares.

Pursuant to the resolution of the Board dated 16 September 2025 amending the Restricted Share Award Scheme, notwithstanding the foregoing and subject to the Listing Rules and applicable laws, the Board shall have the discretion, at its sole determination and under circumstances it deems appropriate, to waive, modify, or establish a different vesting schedule as it considers necessary.

Vesting of the award Shares will be conditional on the selected participant remaining as an employee of the Group until and on each of the relevant vesting date and his/her execution of the relevant documents to effect the transfer from the Trustee. In the event that the selected participant ceases to be an employee of the Group before all award Shares are vested, the Trustee shall repurchase the unvested award Shares at the repurchase price from the resources contributed by the Group. The repurchased Shares shall be held under the Trust and be granted to other selected participant(s) as instructed by the Board.

If there occurs any special circumstances which may affect the eligibility of the selected participant or the vesting of award Shares, the award Shares shall be dealt with in accordance with the scheme rules. However, for those which are not currently covered therein, the Board shall, from time to time, have sole discretion to determine how such award Shares should be handled.

The Trustee shall not exercise the voting rights in respect of any Shares held under the trust including but not limited to the award Shares.

Upon the termination of the scheme, the Trustee shall continue to hold the unvested award Shares on trust for the selected participant(s). After all the granted award Shares are vested or repurchased in accordance with the scheme rules, all remaining Shares held by the Trustee will be sold and all net proceeds (after deducting all fees, costs and expenses of the Trustee) will be transferred back to the Company. For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company and the Company shall not hold any Shares in any other way whatsoever.

The scheme may be altered in any respect from time to time by a resolution of the Board.

The Restricted Share Award Scheme does not stipulate: (i) the amount (if any) on application or acceptance of the award Shares and the period within which payments or calls must or may be made or loans for such purposes must be repaid; and (ii) the basis of determining the purchase price of Shares awarded (if any). The Board will consider, resolve for and approve the relevant particulars in accordance with the terms of the Restricted Share Award Scheme.

As the Company will not issue new shares under the Restricted Share Award Scheme, the total number of shares that may be issued under the Restricted Share Award Scheme is zero. As at 31 August 2025, under the Restricted Share Award Scheme, the Trustee purchased a total of 56,548,000 shares, representing approximately 2.68% of the total issued shares of the Company. A total of 14,864,000 shares, representing approximately 0.7% of the total issued shares of the Company, were granted to Selected Participants under the scheme. No shares were granted to the Selected Participants under the scheme during the Reporting Year. Details of the interests of the Selected Participants under the Restricted Share Award Scheme are as follows:

The remaining life of the Restricted Share Award Scheme is approximately 3 years as at the date of this report.

During the year ended 31 August 2024, the Company repurchased a total of 12,061,000 Shares (“ ”) on the Stock Exchange, at an aggregate consideration of HKD43,117,079 (inclusive of the payment of trading fees, levies and commissions in the aggregate amount of HKD89,929). The Company believed that the then prevailing trading prices of the Shares were lower than its intrinsic value and did not fully reflect the business prospects of the Company, and that the various share repurchases reflected the Company’s long-term confidence in its operational growth outlook and financial position, increased the net asset value and earnings per Share, and were in the best interests of the Company and the Shareholders. Details of the Shares Repurchased are as follows:

		(HKD)	*(HKD)*	*(HKD)*
September 2024	7,584,000	3.87	3.13	26,171,342
December 2024	1,805,000	4.10	3.73	7,095,294
August 2025	2,672,000	3.71	3.60	9,850,443
Total	12,061,000			43,117,079

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed public float under the Listing Rules during the year ended 31 August 2025.

There are no provisions for pre-emptive rights under the laws of the Cayman Islands or under the Company's Articles of Association that require the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

During the Reporting Year, the Group made charitable donations of RMB54,200.

The Group did not have any material litigation outstanding as at 31 August 2025.

The Company did not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules as at 31 August 2025.

The biographies of the Directors are set out under the section headed "Directors and Senior Management" in this report.

Changes in the information of the Directors for the six months ended 31 August 2025 are as follows:

Ms. Li Xiaomei has been appointed as a non-executive Director with effect from 24 December 2024.

Mr. Cheng Yiqun served as an independent director of Wuhan Sinoeco Ecological Science and Technology CO.,

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value, transparency and accountability of the Group. The Company has adopted the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

During the year ended 31 August 2025, the Company has complied with all applicable code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules, save and except for code provision C.2.1 of the CG Code which stipulates that the roles of chairman and chief executive should not be performed by the same individual.

Please refer to the sub-section headed "Chairman and Chief Executive Officer" for details.

Ms. Li Xiaomei has been appointed as a non-executive Director with effect from 24 December 2024. Following the appointment of Ms. Li Xiaomei as a non-executive Director, the Company has complied with the requirement of Rule 13.92 of the Listing Rules.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors the Group's business and performance, and supervises the work of the senior management of the Group. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group (including, without limitation, the implementation of the Board's resolutions) to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee (together, the " "). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company.

Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

During the year ended 31 August 2025 and up to the date of this report, the composition of the Board is as follows:

Mr. Luo Shi *(chairman)*
Mr. Wang Rui

Mr. Pan Ping
Mr. Zhang Wenzao
Ms. Li Xiaomei *(appointed on 24 December 2024)*

Mr. Liu Kai Yu Kenneth
Mr. Yang Dong
Mr. Cheng Yiqun

The biographies of the Directors are set out under the section headed “Directors and Senior Management” in this report. During the year ended 31 August 2025, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possesses appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

Each of the non-executive Directors (including the independent non-executive Directors) was engaged on a service contract or letter of appointment for a fixed term and shall be subject to retirement by rotation once every three years. The specific terms of service of each non-executive Director are as follows:

As each of the independent non-executive Directors has made his/her annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules, the Company considers all of them to be independent in accordance with the guidelines set out in the Listing Rules.

The Board currently has 3 independent non-executive Directors who have years of experience in law, education, corporate finance, internal audit and accounting. The independent non-executive Directors are able to provide independent and appropriate opinions to the Board so as to ensure that the Board can obtain independent views and opinions that it requires when exercising its powers and making major decisions. The independent non-executive Directors (as other Directors) are entitled to seek further information and documentation from the senior management on the matters to be discussed at Board meetings. They can also seek assistance from the Company's company secretary and, where necessary, independent advice from external professional advisers at the Company's expense. They shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which he/her or any of his/her close associates has a material interest. Such mechanisms are to ensure that a strong independent element on, and independent views and input are available to, the Board. During the Reporting Year, the 3 independent non-executive Directors attended the Board meetings regularly and actively participated in the decision-making process of the Board, and provided independent views and opinions to the Board when it performed its duties. In view of the above, and after review, the Board believes that its mechanism for obtaining independent opinions has been fully implemented and continues to be effective.

Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" and otherwise disclosed in this report, none of the Directors has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and/or the chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the issuer, the Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a Board diversity and employees diversity policy to establishes fundamental principles to ensure an appropriate balance of skills, experience and perspectives among Board members and employees (including senior management), thereby enhancing the Board's effectiveness and maintaining high standards of corporate governance.All Board appointments and employee (including senior management) recruitment shall be based on merit, considering candidates' strengths and potential contributions to the Board. Objective criteria will be applied, with due consideration given to the benefits of diversity among Board members and employees (including senior management).

Ms. Li Xiaomei has been appointed as a non-executive Director with effect from 24 December 2024. Following the appointment of Ms. Li Xiaomei as a non-executive Director, the Company has complied with the requirement of Rule 13.92 of the Listing Rules. As at the date of this report, the Board comprises 8 Directors, of whom 7 are male and 1 is female.

During the Reporting Year, the Nomination Committee has reviewed the following measurable objectives and the progress towards these objectives:

1.	The Board has at least one Director of a different gender.	The Board appointed a female Director on 24 December 2024. The goal has been achieved.
2.	To consider the appointment of new Director(s) from a wide range of candidates (including backgrounds, skills, experience and	

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Group and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

In accordance with C.1.4 of the CG Code with regards to continuous professional development, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses at the Company's expenses or reading relevant materials, in order to keep themselves abreast of the statutory and regulatory development and changes in the business and the market so as to facilitate the discharge of their responsibilities. The individual training record of each Director received for the year ended 31 August 2025 is summarised below:

Mr. Luo Shi	Reading materials
Mr. Wang Rui	Reading materials, attending the training for company secretary
Mr. Pan Ping	Reading materials
Mr. Zhang Wenzao	Reading materials
Ms. Li Xiaomei *(appointed on 24 December 2024)*	Reading materials, and attending the induction training for Directors
Mr. Liu Kai Yu Kenneth	Reading materials, and attending an institutional training
Mr. Yang Dong	Reading materials
Mr. Cheng Yiqun	Reading materials

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should not be performed by the same individual. Mr. Luo Shi was appointed as the chairman of the Board and the chief executive officer of our Company on 24 June 2018.

The Board believes that it is in the interest of the Company and its Shareholders for Mr. Luo Shi to assume the responsibilities of such positions, given that Mr. Luo Shi is the founder of the Company and has extensive experience in the operation and management of the Company. The Board also considers that such arrangement will not impair the balance of power and authority between the Board and the management as the Board comprises seven other experienced individuals during the year ended 31 August 2025. In addition, for major decisions of the Group, the Company will consult Board committees and senior management as and when appropriate. The Board will review such arrangement from time to time and will continue to review and monitor the corporate governance practices of the Company for the purpose of maintaining high corporate governance standards.

In accordance with Article 16.18 of the Articles, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Zhang Wenzao, Mr. Yang Dong and Mr. Cheng Yiqun will retire from office by rotation at the AGM, and being eligible, offer themselves for re-election.

For the year ended 31 August 2025, details of Directors' attendance of the Board meetings and general meetings are as follows:

Mr. Luo Shi	4/4	1/1
Mr. Wang Rui	4/4	1/1
Mr. Pan Ping	4/4	1/1
Mr. Zhang Wenzao	4/4	1/1
Ms. Li Xiaomei *(appointed on 24 December 2024)*	2/2	1/1
Mr. Liu Kai Yu Kenneth	4/4	1/1
Mr. Yang Dong	4/4	1/1
Mr. Cheng Yiqun	4/4	1/1

The Board has established three Board Committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs.

Each of these committees was established with defined written terms of reference. The terms of reference of the Board Committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request. The majority of the members of each Board committee are independent non-executive Directors.

The Company has established the Audit Committee comprising three members who are all independent non-executive Directors, namely, Mr. Liu Kai Yu Kenneth, Mr. Cheng Yiqun and Mr. Yang Dong. Mr. Liu Kai Yu Kenneth is the chairman of the Audit Committee.

The Audit Committee has its written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3.3 of the CG Code. The primary duties of the Audit Committee include, among others, (i) assisting the Board in providing an independent review of the financial controls, risk management and internal control systems of the Group; (ii) overseeing the audit process; and (iii) performing other duties and responsibilities as assigned by the Board.

For the year ended 31 August 2025, the Audit Committee held 2 meetings. The attendance record of the meetings is set out in the table below:

Mr. Liu Kai Yu Kenneth	2/2
Mr. Yang Dong	2/2
Mr. Cheng Yiqun	2/2

During the meetings, the Audit Committee reviewed the results and report for the year ended 31 August 2024, the interim results and report for the six months ended 28 February 2025, significant issues on the financial reporting and compliance procedures, internal control and risk management systems, continuing connected transactions, and scope of work and appointment of external auditors.

The Company has established the Nomination Committee comprising five members, namely, Mr. Luo Shi (executive Director), Ms. Li Xiaomei (non-executive Director), Mr. Cheng Yiqun, Mr. Liu Kai Yu Kenneth and Mr. Yang Dong (independent non-executive Directors). Mr. Luo Shi is the chairman of the Nomination Committee.

The Nomination Committee has its written terms of reference in compliance with paragraph B.3.1 of the CG Code. The primary responsibilities of the Nomination Committee include, among others, (i) reviewing the structure, size, composition and diversity of the Board at least annually and making recommendations on any

The Company has established the Remuneration Committee comprising three members, namely, Mr. Wang Rui (executive Director), Mr. Cheng Yiqun and Mr. Yang Dong (independent non-executive Directors). Mr. Cheng Yiqun is the chairman of Remuneration Committee.

The Remuneration Committee has its written terms of reference in compliance with paragraph E.1.2 of the CG Code. The primary duties of the Remuneration Committee include, among others, (i) making recommendations to the Board on our Group's policy and structure for remuneration of all Directors and senior management, and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (iii) making recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

For the year ended 31 August 2025, the Remuneration Committee held 2 meetings.

The attendance record of the meeting is set out in the table below:

Mr. Cheng Yiqun	2/2
Mr. Wang Rui	2/2
Mr. Yang Dong	2/2

During the relevant meetings, the Remuneration Committee considered and reviewed the remuneration policy

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 August 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 85 to 90 in this report.

The Board would review the Group's risk management and internal control systems at least once a year. The Board acknowledges that it has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness. The Audit Committee looks into matters in relation to, and arising from, risk management and internal controls and reports to the Board for consideration. The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and the Board can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has an internal audit and control department which carries out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems and reports to the Board.

During the year ended 31 August 2025, the Board has conducted its regular and annual review of the effectiveness of our risk management and internal control systems, in particular, the operational and financial reports, compliance control and risk management reports, budgets and business plans provided by the management. The Audit Committee and the internal audit and control department of the Company, respectively, also performed regular reviews of the Group's performance, risk management and internal control systems and discusses with the Board, in order to ensure effective measures are in place to protect material assets and identify business risks of the Group. Such reviews by the Board, the Audit Committee and the internal audit and control department of the Company did not reveal any major issues and the Board considers the risk management and internal control systems as well as the internal audit function of the Group are effective and adequate.

On 16 August 2024, for the purposes of, among other things, (a) updating and bringing the second amended and restated memorandum and articles of association of the Company (the " ") in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers as set out in the Listing Rules which took effect from 31 December 2023, and (b) better aligning the wordings in the Existing M&A with those in the applicable laws of the Cayman Islands and the Listing Rules and incorporating certain housekeeping changes, the Board proposed to make certain amendments to the Existing M&A (the " ") and adopt the third amended and restated memorandum and articles of association of the Company (the " ") incorporating and consolidating all the Proposed Amendments, in substitution for, and to the exclusion of, the Existing M&A. The Proposed Amendments and the proposed adoption of the New M&A were approved by Shareholders at the extraordinary general meeting of the Company held on 27 September 2024. For details, please refer to the Company's announcements dated 16 August 2024 and 27 September 2024 and the Company's circular dated 6 September 2024.

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual directors. Except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, all resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

Pursuant to article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM. General meetings shall also be convened on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionists themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Board shall be reimbursed to them by the Company.

The requisition must state clearly the name of the requisitionists, their shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included and the details of the business(es) proposed to be transacted in the EGM and signed by the requisitionists.

There are no provisions in the Articles of Association or the Companies Law of the Cayman Islands for Shareholders to propose new resolutions at general meetings. Shareholders who wish to propose a resolution may request the Company to convene a general meeting in accordance with the procedures set out above.

The Company considers that effective communication with Shareholders and investors is essential for enhancing investor relations and investors' understanding of the Group's business, performance and strategies, thereby establishing investors' confidence and attracting new investors. The Company also recognizes the importance of transparency and timely disclosure of corporate information which enables investors to make the best investment decision.

The Company endeavors to maintain an ongoing dialogue with the Shareholders and has a shareholders' communication policy in place to ensure that the Shareholders' views and concerns are heard and addressed appropriately. Such policy aims to maintain continuous, timely and effective communication with the Shareholders (including potential investors and analysts, where applicable) to ensure that the stakeholders can obtain timely, consistent and comprehensive information about the Company as and when appropriate. The applicable communication channels include (i) disclosure through the Company's financial reports (i.e. annual reports and interim reports); (ii) announcements, circulars and other regulatory disclosure information submitted to the Stock Exchange in accordance with the continuous disclosure requirements under the Listing Rules, which will also be immediately published on the website of the Stock Exchange; (iii) all up-to-date and key information of the Company is available on the Company's website at www.tianlieducation.com; (iv) the general meetings of the Company; and (v) other communication activities with investment markets, including roadshows, industry forums, etc.

In particular, the Company is of the view that the annual general meetings and other general meetings of the Company provide an important channel for communications between the Board and the Shareholders. The chairman of the Board, as well as the chairmen of the Nomination Committee, the Remuneration Committee and the Audit Committee or, in their absence, other members of the respective committee and where appropriate, the chairman of the independent Board committee, will make themselves available at the general meetings to meet Shareholders and answer their enquiries.

During the Reporting Year, the Company has reviewed the implementation and effectiveness of the shareholders' communication policy and confirmed that the Company has disclosed all necessary information to the Shareholders in compliance with the Listing Rules, and has included channels for the Shareholders to communicate their views on various matters affecting the Company and that the Company has taken appropriate and sufficient steps to solicit and understand the views of the Shareholders and stakeholders. The Board is satisfied with the implementation and effectiveness of such policy.

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in acaview conclthe consIFRShe consA0.6unt[(to) consSt (/Tor our)2aor ourfinanciabyhe consolidIASBnd our consoliddiscloand the

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yee Chung Man (practising certificate number: P05744).

Ernst & Young
Certified Public Accountants
Hong Kong

28 November 2025

For the Year Ended 31 August 2025

	Notes	2024 RMB'000
	5	3,320,898
Cost of sales		(2,201,929)
Gross profit		1,118,969
Other income and gains	5	50,273
Selling and distribution expenses		(70,531)
Administrative expenses		(257,499)
Reversal of impairment losses on property, plant and equipment	7	–
Impairment losses on goodwill	7	–
Impairment losses on financial assets	7	–
Other expenses		(28,083)
Finance costs	6	(86,390)
Share of profits of:		
A joint venture		2,165
Associates	17	11,547
	7	740,451
Income tax expense	10	(184,289)
		556,162
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of a foreign operation		21
		556,183
Profit attributable to:		
Owners of the Company		575,956
Non-controlling interests		(19,794)
		556,162
Total comprehensive income attributable to:		
Owners of the Company		575,977
Non-controlling interests		(19,794)
		556,183
	12	
Basic		RMB27.51 cents
Diluted		RMB27.23 cents

31 August 2025

	Notes	2024 RMB'000
Property, plant and equipment	13	4,969,301
Right-of-use assets	14(a)	2,448,695
Goodwill	15	106,465
Other intangible assets	16	38,418
Investments in associates	17	12,825
Prepayments, deposits and other receivables	20	62,335
Deferred tax assets	27	337,019
Total non-current assets		7,975,058
Inventories	18	26,457
Trade receivables	19	18,362
Prepayments, deposits and other receivables	20	128,559
Amounts due from related parties	33(b)	686,892

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31 August 2025

	Notes	2024 RMB'000
Lease liabilities	14(b)	459,468
Deferred tax liabilities	27	64,945
Deferred income	25	239,391
Interest-bearing bank and other borrowings	26	1,312,052
Amounts due to related parties	33(b)	987,777
Total non-current liabilities		3,063,633
NET ASSETS		2,473,036
Equity attributable to owners of the Company		
Issued capital	28	179,763
Treasury shares		(1,330)
Reserves	29	2,294,341
		2,472,774
Non-controlling interests		262
Total equity		2,473,036

Director *Director*

For the Year Ended 31 August 2025

At 1 September 2024	179,763	(1,330)	989,166	(82,153)	13,188	61,252	548,971	(1,122)	126,416	(263)	638,886	2,472,774	262	2,473,036
Profit for the year	–	–	–	–	–	–	–	–	–	–	664,258	664,258	(16,128)	648,130
Other comprehensive loss for the year:														
Exchange differences on translation of a foreign operation	–	–	–	–	–	–	–	–	–	(86)	–	(86)	–	(86)(86h.a226

For the Year Ended 31 August 2025

	Notes	2024 RMB'000
Profit before tax		740,451
Adjustments for:		
Depreciation of property, plant and equipment	7	170,794
Depreciation of right-of-use assets	7	88,999
Amortisation of intangible assets	7	9,913
Share of profits of a joint venture and associates		(13,712)
Gain on disposal of financial assets at fair value through profit or loss	5	(766)
Unrealised foreign exchange (gains)/losses, net		6,195
Equity-settled share award scheme expenses	30	3,418
Equity-settled share option scheme expenses	30	37,955
Bank interest income	5	(8,866)
Deferred income released to profit or loss	25	(142,474)
Finance costs	6	86,390
Loss/(gain) on disposal of items of property, plant and equipment, net	7	(51)
Gain on termination of leases	5	–
Gain on waiver of other payables	5	–
Reversal of impairment losses on property, plant and equipment	7	–
Impairment losses on financial assets	7	–
Impairment losses on goodwill	7	–
Fair value losses on remeasurement of a previously held equity interest in a joint venture at the date of business combination	7	820
Gain on bargain purchase	5	(27,050)
		952,016
Decrease in inventories		1,016
Increase in trade receivables		(914)
Increase in prepayments, deposits and other receivables		(24,449)
(Increase)/decrease in amounts due from related parties		206
Placement of restricted deposits		–
Increase in trade payables		8,969
Decrease in contract liabilities		(93,073)
Receipt of deferred income		67,392
(Decrease)/increase in other payables and accruals		48,038
Cash generated from operations		959,201
Income tax paid		(132,091)
Net cash flows from operating activities		827,110

For the Year Ended 31 August 2025

	Notes	2024 RMB'000
Purchase of items of property, plant and equipment		(342,648)
Purchase of other intangible assets		(1,529)
Purchase of land use rights		(62,654)
Proceeds from disposal of items of property, plant and equipment		592
Purchase of financial assets at fair value through profit or loss		(86,000)
Proceeds from disposal of financial assets at fair value through profit or loss		187,075
Acquisition of subsidiaries		(68,524)
Investment in an associate		(4,000)
Repayment of advances given to related parties		81,540
Advances given to related parties		(117,118)
Withdrawal of time deposits with original maturities between three months and one year		69,355
Placement of time deposits with original maturities between three months and one year		(9,372)
Bank interest received		8,866
Net cash flows used in investing activities		(344,417)
Dividend received from shares held for the share award scheme		2,021
Refund of advances received from restricted share award scheme		(3,295)
Shares repurchased for cancellation		(68,977)
Capital contribution from a non-controlling shareholder of a subsidiary		670
Proceeds from bank and other borrowings		771,950
Repayment of bank and other borrowings		(612,041)
Advances received from related parties		1,347,191
Repayment of advances from related parties		(1,723,229)
Dividends paid		(137,976)
Proceeds from issue of shares		–
Principal portion of lease payments		(32,684)
Interest portion of lease liabilities		(17,122)
Interest paid		(86,380)
Net cash flows used in financing activities		(559,872)
		(77,179)
Effect of foreign exchange rate changes, net		(6,174)
Cash and cash equivalents at beginning of year		1,432,369
		1,349,016

	Notes	2024 RMB'000
Cash and bank balances	21	1,349,016
Time deposit	21	9,372
		1,358,388

31 August 2025

Tianli International Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands on 24 January 2017 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office address of the Company is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009 Cayman Islands. The principal place of business of the Company is located at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the provision of comprehensive education management and diversified services in the People's Republic of China (the "PRC"). There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the directors of the Company, the parent company and the ultimate holding company of the Company is Sky Elite Limited, a company incorporated in the British Virgin Islands ("BVI"). The ultimate controlling shareholder of the Company is Mr. Luo Shi ("Mr. Luo").

On 14 May 2021, the 2021 Implementation Regulations for Private Education Laws (the "2021 Implementation Regulations") were promulgated by the PRC State Council, and the aforesaid contractual agreements of private schools providing compulsory education (the "Affected Business") were no longer enforceable from 1 September 2021. The directors of the Company concluded that, the Group legally owned the Affected Business through the affiliated entities of the Group as a result of the contractual agreements, but ceased to have control over them from 31 August 2021 due to the 2021 Implementation Regulations.

Tianli Education Holdings Limited 天立教育控股有限公司	BVI

Zhoukou Tianli Senior High School Company Limited ("Zhoukou High School") [a], [b] 周口市天立高級中學有限公司	The PRC/ Chinese Mainland 16 April 2020	RMB5 million	–	100	Provision of high school education service
Shenzhou Hongyu (Zhuhai Hengqin) Management Consulting Co., Ltd. ("Shenzhou Hongyu") [c] 神州鴻羽(珠海橫琴)管理諮詢有限責任公司	The PRC/ Chinese Mainland 15 May 2020	HK$2 million	–	100	Management consulting
Qiming Daren (Zhuhai Hengqin) Education Technology Co., Ltd. ("Qiming Daren") [a], [b] 啟鳴達人(珠海橫琴)教育科技有限責任公司	The PRC/ Chinese Mainland 15 May 2020	RMB2 million	–	100	Management consulting
Sichuan Qiming Daren Technology Co., Ltd. ("Sichuan Qiming") [a], [b] 四川啟鳴達人科技有限公司	The PRC/ Chinese Mainland 28 December 2022	RMB1 million	–	100	Management consulting
Dayan Zhiguang (Zhuhai Hengqin) Education Consulting Co., Ltd. ("Dayan Zhiguang") [c] 大雁之光(珠海橫琴)教育諮詢有限責任公司	The PRC/ Chinese Mainland 15 May 2020	HK$2 million	–	100	Education consulting
Sichuan Lixing Yanxue Travel Co., Ltd. ("Lixing Yanxue") [a], [b] 四川立行研學旅行有限公司	The PRC/ Chinese Mainland 29 May 2020	RMB10 million	–	100	Study tour service
Rizhao Shenzhou Tianli Senior High School Company Limited [a], [b] 日照神州天立高級中學有限責任公司	The PRC/ Chinese Mainland 14 July 2020	RMB5 million	–	100	Provision of high school education service
Dongying Shenzhou Tianli Senior High School Company Limited [a], [b] 東營神州天立高級中學有限公司	The PRC/ Chinese Mainland 5 August 2020	RMB1 million	–	100	Provision of high school education service
Yichun Shenzhou Tianli Senior High School Company Limited [a], [b] 宜春神州天立高級中學有限責任公司	The PRC/ Chinese Mainland 19 August 2020	RMB2 million	–	100	Provision of high school education service

Guangyuan Jiange Shenzhou Tianli Senior High School Company Limited [a], [b] 廣元市劍閣縣神州天立高級中學有限公司	The PRC/ Chinese Mainland 17 September 2020	RMB1 million	–	100	Provision of high school education service
Baise Shenzhou Tianli Senior High School Company Limited [a], [b] 百色神州天立高級中學有限責任公司	The PRC/ Chinese Mainland 15 December 2020	RMB1 million	–	100	Provision of high school education service
Jining Tianli Senior High School [a], [b] 濟寧天立高級中學	The PRC/ Chinese Mainland 19 March 2021	RMB300,000	–	100	Provision of high school education service
Ulanqab Jining District Tianli Senior High School Company Limited [a], [b] 烏蘭察布市集寧區神州天立高級中學有限公司	The PRC/ Chinese Mainland 19 May 2021	RMB500,000	–	100	Provision of high school education service
Lanzhou Shenzhou Tianli Senior High School Company Limited [a], [b] 蘭州神州天立高級中學有限責任公司	The PRC/ Chinese Mainland 26 July 2021	RMB100,000	–	100	Provision of high school education service
Honghu Shenzhou Tianli Senior High School Company Limited ("Honghu High School") [a], [b] 洪湖神州天立高級中學有限責任公司	The PRC/ Chinese Mainland 28 July 2021	RMB1 million	–	100	Provision of high school education service
Laian Tianli Senior High School Company Limited [a], [b] 來安天立高級中學有限責任公司	The PRC/ Chinese Mainland 13 August 2021	RMB5 million	–	100	Provision of high school education service
Luzhou Longmatan Shenzhou Tianli Chunyu Kindergarten Co., Ltd. [a], [b] 瀘州市龍馬潭區神州天立春雨幼兒園有限公司	The PRC/ Chinese Mainland 26 August 2021	RMB6 million	–	100	Provision of kindergarten service

Sichuan Tianyi Dream Building Culture and Art Co., Ltd. [a], [b] 四川天藝築夢文化藝術有限公司	The PRC/ Chinese Mainland 15 October 2021	RMB10 million	–	60	Provision of comprehensive service
Sichuan Jiaozi Youpin E-commerce Co., Ltd. [a], [b] 四川驕子優品電子商務有限公司	The PRC/ Chinese Mainland 21 November 2021	RMB2 million	–	100	Retail business
Cangxi Shenzhou Tianli Senior High School Company Limited [a], [b] 蒼溪神州天立高級中學有限公司	The PRC/ Chinese Mainland 22 March 2022	RMB5 million	–	100	Provision of high school education service
Xinxiang Tianli Senior High School Company Limited [a], [b] 新鄉天立高級中學有限公司	The PRC/ Chinese Mainland 27 May 2022	RMB1 million	–	100	Provision of high school education service
Yantai Tianli Senior High School Company Limited [a], [b] 煙台天立高級中學有限公司	The PRC/ Chinese Mainland 7 June 2022	RMB70 million	–	100	Provision of high school education service
Ya'an Tianli High School Co., Ltd. [a], [b] 雅安神州天立高級中學有限公司	The PRC/ Chinese Mainland 27 June 2022	RMB48 million	–	100	Provision of high school education service
Yulin Tianli Senior High School Company Limited [a], [b] 玉林天立高級中學有限公司	The PRC/ Chinese Mainland 24 June 2022	RMB1 million	–	100	Provision of high school education service
Weihai Tianli Senior High School Company Limited [a], [b] 威海天立高級中學有限公司	The PRC/ Chinese Mainland 16 June 2022	RMB5 million	–	100	Provision of high school education service
Guangyuan Tianli Jiaojiao Kindergarten Co., Ltd. [a], [b] 廣元天立驕驕幼兒園有限責任公司	The PRC/ Chinese Mainland 29 July 2022	RMB1 million	–	100	Provision of kindergarten education service

Chengdu Daren Sports Culture Development Co., Ltd. ("Chengdu Daren Sports") [a], [b] 成都達人體育文化發展有限公司	The PRC/ Chinese Mainland 10 August 2022	RMB1 million	–	100	Provision of sports service
Sichuan Fengming Niepan Education Management Co., Ltd. ("Sichuan Fengming Niepan") [b] 四川鳳鳴涅盤教育管理有限責任公司	The PRC/ Chinese Mainland 16 August 2022	RMB500,000	–	60	Provision of Gaokao repetition education service
Guangyuan Tianli Boda High School Co., Ltd. [a], [b] 廣元天立博達高級中學有限責任公司	The PRC/ Chinese Mainland 31 August 2022	RMB47 million	–	100	Provision of high school education service

Shanghai MacDuffie International High School Co., Ltd. ("MacDuffie High School") [a], [b] 上海美達菲雙語高級中學有限公司	The PRC/ Chinese Mainland 6 December 2019	RMB1 million	–	80	Provision of high school education service
Chuxiong Shenzhou Tianli Senior High School Company Limited [a], [b] 楚雄神州天立高級中學有限責任公司	The PRC/ Chinese Mainland 19 June 2023	RMB5 million	–	100	Provision of high school education service
FARMILY Tourism Co., Ltd. ("FARMILY") [a], [b] 成都永遠家研學旅遊有限公司	The PRC/ Chinese Mainland 23 January 2024	RMB300,000	–	100	Study tour service
Dazhou Tianli High School [a], [b] 達州天立高級中學	The PRC/ Chinese Mainland 20 May 2024	RMB3 million	–	100	Provision of high school education service
Deyang Tianli High School [a], [b] 德陽天立高級中學	The PRC/ Chinese Mainland 26 June 2024	RMB8 million	–	100	Provision of high school education service

In the opinion of the directors, none of the non-controlling interests in the subsidiaries are individually material to the Group. None of the subsidiaries has material non-controlling interests.

The above table lists the major subsidiaries within the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The English names of certain companies or schools established in the PRC represent the best effort made by the management of the Company to directly translate the Chinese names of these companies or schools as they have not registered with any official English names.

(a) These entities are controlled through contractual arrangements and they are collectively referred to as the "Consolidated Affiliated Entities".

(b) These subsidiaries are registered as domestic enterprises with limited liability under the PRC law.

(c) These subsidiaries are registered as wholly-foreign-owned enterprises under the PRC law.

(d) On 18 June 2025, Shenzhou Tianli Education Investment Company Limited changed its name to Shenzhou Tianli Education Technology Group Co., Ltd.

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

As at 31 August 2025, the Group recorded net current liabilities of approximately RMB2,126,198,000 (31 August 2024: RMB2,438,389,000). Included in the current liabilities as at 31 August 2025 were contract liabilities and deferred income of RMB1,299,544,000 (31 August 2024: RMB1,346,460,000) and RMB348,910,000 (31 August 2024: RMB271,122,000), respectively. The Group had cash and cash equivalents of RMB965,240,000 as at 31 August 2025 (31 August 2024: RMB1,349,016,000).

In view of the net current liability position, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern after considering the following:

(a) Based on the arrangements and confirmations received from the licensed banks in Chinese Mainland, the Group has total unutilised banking facilities of RMB1,372,125,000 (31 August 2024: RMB844,000,000) which are available for drawdown within the next three years commencing from 31 August 2025; and

(b) The directors of the Company have reviewed the Group's cash flow forecast prepared by the management, which covers a period of not less than twelve months from 31 August 2025. In the opinion of the directors of the Company, the Group will have sufficient working capital to meet its financial obligations as and when they fall due and carry on its business without a significant curtailment of operation of not less than twelve months from 31 August 2025.

Having considered the above unutilised bank facilities and cash flows from the Group's operations, the directors are of the opinion that the Group is able to meet in full its financial obligations as they fall due for the foreseeable future and it is appropriate to prepare the consolidated financial statements on a going concern basis.

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 August 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19 and amendments to IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments*: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements

- IFRS 10 *Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Business combinations not under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 August. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

The Group measures its financial assets at fair value through profit or loss at fair value. Fair value is the price that would be received to sell an asset 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 Group. 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 Group 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 financial statements 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 financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting period.

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial 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 the 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 other than goodwill 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.

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group 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 Group 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

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:

Buildings and structures	1.9% – 3.17%
Furniture and fixtures	19%
Leasehold improvements	10% – 20%
Devices and equipment	19%

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 each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal

Trademark

Trademark is stated at cost less any impairment losses and amortised on the straight-line basis over its estimated useful life of 5.25 to 10 years.

Research and development expenses

All research expenses are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group 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. Product development

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

General approach (continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, amounts due to related parties, lease liabilities and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of the Group's financial liabilities is as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing 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 interest expenses in profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

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 profit or loss.

Financial assets and financial liabilities are offset and the net amount is reported in the statement 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.

Own equity instruments which are reacquired and held by the Company (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents in the statement of financiTd0Tietion comrised cashionh and and ut bnks,d andshort-etert highly lieqund e0Ties witsh imaurityt ofgenerally wits in tree mconhs th ut are(redily (covertiableient knowon mouentsoft)28

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of

Revenue from contracts with customers (continued)

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Comprehensive educational services

Educational service fees, boarding fees and comprehensive quality service fees are generally paid in advance prior to the beginning of each academic year or academic term, and are initially recorded as contract liabilities and are reflected as current liabilities as such amounts represent revenue that the Group expects to earn within one year. Fees are recognised proportionately over the relevant period of the applicable program. The academic year of the Group's schools is generally from September to August of the following year. Educational service fees from kindergartens and boarding fees are generally received in advance at the beginning of every term and on a lump-sum basis. Revenue is recognised on a straight-line basis over the scheduled period because students simultaneously receive and consume the benefits provided by the Group.

Revenue from study tour services is generated from short study visits and summer and winter camps for students. Each contract of study tour service contains a single performance obligation. Study tour service fees are generally received in advance and are initially recorded as contract liabilities. Revenue from study tour services is recognised on a straight-line basis over the period of the study tour services, as students simultaneously receive and consume the benefits of these services throughout the service period.

Comprehensive training services include Gaokao repetition education services, art training services, and management training services, etc. Comprehensive training service fees are generally received in advance and are initially recorded as contract liabilities. Revenue from comprehensive training services is recognised on a straight-line basis over the period of the training, as the students simultaneously receive and consume the benefits provided by schools.

Smart education service fees are generally received in advance at the beginning of every academic term on a

Revenue from contracts with customers (continued)

(b) Sale of products

Revenue from the sale of student necessities, agricultural products and sideline products and processed vegetables is recognised at the point in time when control of the goods has been transferred to the customer, generally on acceptance by the customers.

(c) Comprehensive logistical services

Comprehensive logistical services mainly provided a series of educational supporting services for students' daily life, including canteen services and other logistical management services. Revenue from canteen services provided at the on-school canteens involve two revenue recognition methods: (i) services for students with option to choose their meals from the canteen menus and make payments using their prepaid on-school identity cards ("Menu-ordering Canteen Operations"), where revenue is recognised at the point in time when the goods are accepted by the customers; and (ii) services for students paid for set meals in advance of each academic term, where revenue is recognised on a straight-line basis over the period of services.

(d) Provision of management and franchise services

Franchise and entrustment fees are generated from the entrusted schools in connection with the Group's educational consulting and management services. Revenue from the provision of management and franchise services is recognised on a straight-line basis over the scheduled period because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease terms.

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

The Company operates a share award scheme and a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference

e-b

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective 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).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profit or loss is translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

The preparation of the Group's financial statements 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.

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB892,038,000 (31 August 2024: RMB757,266,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group is principally engaged in the provision of education services in the PRC.

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. On this basis, the directors have determined that the Group only has one operating segment which is engaged in the provision of education services. Therefore, no information about the operating segment is presented other than the entity-wide disclosures.

During the year, the Group operated within one geographical location because all of its revenues were generated in Chinese Mainland and over 99% of Group's non-current assets are in Chinese Mainland, no further geographical information in accordance with IFRS 8 *Operating Segments* is presented.

No revenue from a single customer amounted to 10% or more of the total revenue of the Group during the year (2024: nil).

An analysis of revenue is as follows:

	2024 RMB'000
Revenue from contracts with customers	
Comprehensive educational services	1,744,945
Sale of products	918,923
Comprehensive logistical services	597,409
Management and franchise fees	59,621
Total	3,320,898

	2024 RMB'000
Goods transferred at a point in time	1,008,345
Services transferred over time	2,312,553
Total	3,320,898

Information about the Group's performance obligations is summarised below:

Goods transferred at a point in time

The performance obligation is satisfied upon acceptance by the customers and payment in advance is normally required, except for customers with credit terms, where payment is generally due within 30 to 60 days from the acceptance by the customers.

Services transferred over time

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Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "HKSE") (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 RMB'000
Fees	1,550
Other emoluments:	
Equity-settled share option scheme expenses	24,177
Salaries, allowances and benefits in kind	1,288
Pension scheme contributions	69
Subtotal	

Executive directors:					
Mr. Luo Shi*	435	865	42	19,623	20,965
Mr. Wang Rui	315	423	27	4,554	5,319
Subtotal	750	1,288	69	24,177	26,284
Non-executive directors:					
Mr. Zhang Wenzao	100	–	–	–	100
Mr. Pan Ping	100	–	–	–	100
Subtotal	200	–	–	–	200
Total	950	1,288	69	24,177	26,484

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

* Mr. Luo Shi is also the chief executive of the Company during the year.

** Ms. Li Xiaomei was appointed as a non-executive director on 24 December 2024.

The five highest paid employees during the year included one director and the chief executive (2024: one director and the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 RMB'000
Salaries, allowances and benefits in kind	4,145
Equity-settled share option scheme expenses	2,603
Pension scheme contributions	76
Total	6,824

The number of the non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2024
HK$1,000,001 to HK$1,500,000	2
HK$1,500,001 to HK$2,000,000	–
HK$2,500,001 to HK$3,000,000	–
Above HK$3,000,000	1
Total	3

Corporate income tax of the Group has been provided at the applicable tax rates on the estimated taxable profits arising in Chinese Mainland during the year:

	Note	2024 RMB'000
Current – Chinese Mainland		
Charge for the year		172,962
Overprovision in prior years		(1,343)
Deferred	27	12,670
Total		184,289

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Notes	2024 RMB'000
Profit before tax		740,451
Tax at the applicable tax rates:		
16.5%	(b)	284
25%		184,683
Lower tax rates enacted by local authorities	(c)	(61,217)
Income not subject to tax		(14,481)
Tax losses utilised from previous periods		(4,605)
Profits attributable to a joint venture and associates		(3,428)
Expenses not deductible for tax		7,967
Adjustments in respect of current tax of previous years		(1,343)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries		–
Tax losses not recognised		76,429
Tax charge at the Group's effective rate		184,289

Notes:

(a) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

(b) The applicable profits tax rate for a Hong Kong-incorporated subsidiary is 16.5%. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong this year.

(c) Pursuant to the PRC Income Tax Law and the respective regulations, all of the Company's subsidiaries established in the PRC were subject to the PRC corporate income tax ("CIT") at a rate of 25% during the year, except for the subsidiaries listed below:

Under the "Western Development Policy", the income tax for subsidiaries, including Lixing Yanxue, Chengdu Daren Sport, and Tibet Yongsi are calculated at a preferential tax rate of 15%. Among them, as Tibet Yongsi employed more than 70% of the total working population of permanent residents in Tibet, it could have the local part of CIT (40% of the 15% tax rate) exempted and thus was entitled to an effective preferential PRC CIT rate of 9%.

Under the preferential income tax policy for small and micro enterprises, eligible entities include kindergartens as well as certain tutoring schools, high schools and school sponsors. Their taxable income is subject to PRC CIT at an effective rate of 5%.

Jingxi Tianli Education Consulting Co., Ltd. ("Jingxi Tianli") operates in encouraged industries within the Guangxi Baise Pilot Zone, and has been qualified for a local CIT exemption (40% of the standard 25% tax rate). Additionally, Jingxi Tianli has been qualified as a small and micro-enterprise under preferential income tax policies, pursuant to which the effective tax rate for Jingxi Tianli has been reduced to 3%.

Notes: (continued)

(c) (continued)

Shenzhou Hongyu and Dayan Zhiguang have been recognised as qualified entities under the preferential income tax policy for the encouraged industrial enterprises in the Zhuhai Hengqin Free Trade Zone. Under the preferential income tax policy, the income tax of Shenzhou Hongyu and Dayan Zhiguang is levied at the preferential PRC CIT rate of 15%.

Sichuan Qiming has been qualified as a "Double-soft Enterprise" and is entitled a full exemption from PRC CIT for two years from the first profit-making year and a 50% reduction on CIT for the subsequent three years. Sichuan Qiming enjoyed a full exemption from PRC CIT this year.

(d) The share of tax attributable to a joint venture and associates amounting to nil (2024: RMB1,441,000) and RMB16,000 (2024: RMB19,000), respectively, is included in "share of profits of a joint venture and associates" in profit or loss.

	2024 RMB'000
Proposed final – RMB3.90 cents (2024: RMB4.08 cents) per ordinary share	85,994
Interim – RMB5.78 cents (2024: RMB4.17 cents) per ordinary share	88,237
Total	174,231

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The calculations of basic and diluted earnings per share attributable to ordinary equity holders of the Company are based

31 August 2025	
At 1 September 2024:	
Cost	
Accumulated depreciation and impairment	
Net carrying amount	
At 1 September 2024, net of accumulated depreciation	
Additions	
Impairment losses reversed to profit or loss	
Disposals	
Depreciation provided during the year (note 7)	
Transfer from construction in progress	
At 31 August 2025, net of accumulated depreciation and impairment	
At 31 August 2025:	
Cost	
Accumulated depreciation and impairment	
Net carrying amount	

	Buildings and structures	Furniture and fixtures	Leasehold improvements	Devices and equipment	Construction in progress	Total

Notes: (continued)

(c) Impairment assessments on property, plant and equipment and right-of-use assets

As at 31 August 2021, the Group recognised impairment losses on property, plant and equipment of RMB1,085,236,000 due to the 2021 Implementation Regulations and deconsolidation of the Affected Business. In accordance with the Group's accounting policies, each asset or CGU is evaluated annually at the end of the reporting period to determine whether there are any indicators of impairment or that previously recognised impairment losses no longer exist or have decreased. During the year, the Group has obtained operating licenses on art training for certain tuition schools, which favourably improved the estimated service potential of the respective property, plant and equipment and right-of-use assets occupied by the Affected Business, management identified indicators that previously recognised impairment losses have decreased as at 31 August 2025.

In assessing whether there is an impairment or reversal of impairment, the carrying value of each of the CGUs is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and value-in-use ("VIU"). For the purpose of the impairment assessment, property, plant and equipment and right-of-use assets occupied by the Affected Business and showing indications of reversal of impairment are treated as separate CGUs which represented three separate CGUs. The Group performed impairment assessments with reference to valuation performed by an independent qualified professional valuer engaged by the Group on such assets based on VIU calculations using cash flow projections based on financial budgets approved by senior management. The pre-tax discount rate applied in the cash flow projections for CGU 1, CGU2 and CGU3 was 15.8%, 16.9% and 17.4%, respectively.

Based on the above-mentioned impairment assessments, the recoverable amounts, carrying amounts as at 31 August 2025 and the reversal of impairment losses allocated to each CGU are as follows:

CGU 1	158,971	357,296	98,411	60,560
CGU 2	62,624	62,743	39,101	23,523
CGU 3	96,599	38,900	22,987	15,913

The Group has lease contracts for various items of buildings and other premises used in its operations. Lump sum payments were made upfront to acquire the land use rights from the government with periods of 30 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings and other premises generally have lease terms between 2 and 20 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

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

At 31 August 2023	227,370	1,817,535	2,044,905
Additions	54,810	77,716	132,526
Acquisition of subsidiaries	52,629	138,112	190,741
Depreciation charge (note 7)	(45,366)	(43,633)	(88,999)
Lease modification	169,522	–	169,522
At 31 August 2024 and 1 September 2024	458,965	1,989,730	2,448,695
Additions	105,261	–	105,261
Depreciation charge (note 7)	(49,476)	(47,440)	(96,916)
Lease termination	(195,658)	–	(195,658)
At 31 August 2025			

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

	2024 RMB'000
Carrying amount at beginning of year	239,610
New leases	54,810
Acquisition of subsidiaries	44,129
Accretion of interest recognised during the year (note 6)	21,849
Payments	(49,806)
Waiver of lease payments	–
Lease modification	169,522
Lease termination	–
Carrying amount at end of year	480,114
Analysed into:	
Current portion	20,646
Non-current portion	459,468

The maturity analysis of lease liabilities is disclosed in note 36 to financial statements.

	2024 RMB'000
Interest on lease liabilities (note 6)	21,849
Depreciation charge of right-of-use assets (note 7)	88,999
Expense relating to leases of low-value assets (included in cost of sales and administrative expenses)	1,568
Variable lease payments not included in the measurement of lease liabilities (included in cost of services provided)*	2,555
Total amount recognised in profit or loss	114,971

* Honghu High School has a lease contract for school buildings that contains variable payments based on the number of students enrolled each year without any fixed payment. Management's objective is to align the lease expense with the revenue earned.

The total cash outflow for leases is disclosed in note 31(c) to financial statements.

The Group leases certain schools' spaces under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB965,000 (2024: RMB1,091,000), details of which are included in note 5 to financial statements.

As at 31 August 2025, the undiscounted minimum lease payments receivable by the Group in future periods under operating leases with its tenants were as follows:

	2024 RMB'000
Within one year	1,085
After one year but within two years	985
After two years but within three years	729
After three years but within four years	196
After four years but within five years	155
After five years	455
Total	3,605

At 1 September 2023:	
Cost and net carrying amount	16,413
Cost at 1 September 2023, net of accumulated impairment	16,413
Acquisition of subsidiaries	90,052
At 31 August 2024	106,465
At 31 August 2024:	
and net carrying amount	

The recoverable amount of each of the above CGUs has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the management. The growth rate used to extrapolate the cash flows of the above CGUs beyond the five-year period is 0% and the inflation rate is 1.1%, which are based on management's expectation on the future market.

Assumptions were used in the value in use calculation of the above CGUs as at 31 August 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Budgeted number of student intake – The budgeted number of student intake is based on the historical data and management's expectation on the future market.

Pre-tax discount rate – The pre-tax discount rate reflects the risks relating to the relevant CGUs and is determined using the capital asset pricing model with reference to the beta coefficient and debt ratio of certain public listed companies conducting business in the PRC education industry. The pre-tax discount rate used in the value-in-use calculation for each CGU is as follows:

	2024

In the opinion of the directors of the Company, a reasonably possible change in the key assumptions of cash flow projections of the respective CGUs would cause their carrying amounts to exceed their corresponding recoverable amounts.

For Heru Education CGU, the headroom was RMB16,328,000 as at 31 August 2025. If the number of student intake in the subsequent years of the forecast period dropped by 4.5%, or the pre-tax discount rate increased from 12.7% to 14.2% while other parameters remain constant, an impairment of goodwill would be recognised.

For Kinderworld Kindergarten CGU, the headroom was RMB1,539,000 as at 31 August 2025. If the number of student intake in the subsequent years of the forecast period dropped by 2.9%, or the pre-tax discount rate increased from 13.4% to 16.6% while other parameters remain constant, an impairment of goodwill would be recognised.

For FARMILY CGU, the headroom was RMB1,704,000 as at 31 August 2025. If the number of student intake in the subsequent years of the forecast period dropped by 4.7%, or the pre-tax discount rate increased from 10.7% to 13.8% while other parameters remain constant, an impairment of goodwill would be recognised.

At 1 September 2024:	
Cost	
Accumulated amortisation	
Net carrying amount	
Cost at 1 September 2024, net of accumulated amortisation	
Additions	
Amortisation provided during the year (note 7)	
At 31 August 2025	
Cost	
Accumulated amortisation	
Net carrying amount	

	Software RMB'000	Copyright RMB'000	Trademark RMB'000	Total RMB'000
At 1 September 2023:				
Cost	24,275	8,010	9,580	41,865
Accumulated amortisation	(4,860)	(1,078)	(1,437)	(7,375)
Net carrying amount	19,415	6,932	8,143	34,490
Cost at 1 September 2023, net of accumulated amortisation	19,415	6,932	8,143	34,490
Additions	3,604	226	–	3,830
Acquisition of subsidiaries	–	–	10,011	10,011
Amortisation provided during the year (note 7)	(5,157)	(935)	(3,821)	(9,913)
At 31 August 2024	17,862	6,223	14,333	38,418
Cost	27,879	8,236	19,591	55,706
Accumulated amortisation	(10,017)	(2,013)	(5,258)	(17,288)
Net carrying amount	17,862	6,223	14,333	38,418

	2024 RMB'000
Share of net assets	12,825

Particulars of the Company's indirectly held associates are as follows:

			2024	
Affiliated Kindergarten of Luzhou Tianli School ("Luzhou Tianli Kindergarten")	The PRC/ Chinese Mainland 10 October 2012	RMB6 million	33.5%	Provision of kindergarten service
Ziyang Yantou Qihang Education Consulting Co., Ltd.	The PRC/ Chinese Mainland 10 February 2024	RMB1 million	30%	Provision of consulting service
Zhuhai Bienyou Education Technology Co., Ltd.	The PRC/ Chinese Mainland 15 December 2024	RMB10 million	40%	Provision of consulting service

The Group's shareholdings in the associates all comprise equity shares held by subsidiaries of the Company:

The Group's receivable balances with associates are disclosed in note 33(b) to the financial statements.

As at 31 August 2025, in the opinion of the directors, none of associates were individually material to the Group.

The following table illustrates the aggregate financial information of the Groups' associates that are not individually material:

	2024 RMB'000
Share of the associates	RMB

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 RMB'000
At beginning of year	–
Impairment losses, net	000 70 5

	2024 RMB'000
Current portion:	
Prepayments	33,052
Receivables from disposal of shares held under the share award scheme	–
Advances to staff	33,380
Advances to local government	14,394
Security deposits	18,774
Deductible input value-added tax and prepaid income tax	17,544
Other receivables	11,415
Impairment allowance	–
Subtotal	128,559

Tbtotal	10,394

	2024 RMB'000
Cash and bank balances	1,349,016
Time deposit	9,372
Subtotal	1,358,388
Less: Time deposits with original maturities between three months and one year	(9,372)
Restricted deposits	–
Cash and cash equivalents	1,349,016

The Group's cash and cash equivalents, time deposits and restricted deposits are denominated in the following currencies:

	2024 RMB'000
RMB	1,167,721
HK$	190,533
US$	134
Total	1,358,388

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is

	2024 RMB'000
Accrued bonuses and other employee benefits	201,857
Miscellaneous advances from students*	42,974
Payables for purchase of property, plant and equipment	139,090
Performance deposits from suppliers	33,125
Interest payable	7,935
Advances received from restricted share award scheme	14,824
Payables for acquisition of subsidiaries	42,429
Other payables and accrued expenses	127,624
Total	609,858

* The balance mainly represented miscellaneous advances received from students for the purchase of textbooks and beddings on their behalf.

	2024 RMB'000
Government grants related to assets	
At beginning of year	52,779
Government grants received	10,941
Released to profit or loss	(1,078)
At end of year	62,642
Current	1,305
Non-current	61,337
Total	62,642
Government grants related to expense items	
At beginning of year	521,875
Government grants received	67,392
Released to profit or loss (note 7)	(141,396)
At end of year	447,871
Current	269,817
Non-current	

	Notes	2024 Effective interest rate (%)	2024 Maturity	2024 RMB'000
Bank loans – secured	(a)	4.00-6.15	2024-2025	190,000
Bank loans – unsecured		–	–	–
Current portion of long-term bank loans – secured	(a)	4.20-7.00	2024-2025	476,545
Current portion of long-term bank loans – unsecured		4.85	2024-2025	25,750
Current portion of long-term other borrowings – secured	(a)	6.10	2024-2025	48,648

Notes:

(a) Certain of the Group's bank and other borrowings are secured by:

	2024 RMB'000
Rights over educational service fees of certain schools	307,990
Both equity interests in certain subsidiaries and rights over educational service fees	1,450,505
Total	1,758,495

The movements in deferred tax liabilities and assets during the year are as follows:

At 1 September 2023	54,416	54,241	–	108,657
Deferred tax charged/(credited) to profit or loss during the year (note 10)	(2,745)	55,372	8,533	61,160
Acquisition of subsidiaries	4,741	–	–	4,741
At 31 August 2024 and 1 September 2024	56,412	109,613	8,533	174,558
Deferred tax charged/(credited) to profit or loss during the year (note 10)	(2,061)	(32,611)	4,718	(29,954)
At 31 August 2025				

At 1 September 2023	258,282	–	16,660	59,748	334,690
Deferred tax credited/(charged) to profit or loss during the year (note 10)	(6,661)				

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% for the Group.

As at 31 August 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland. In the opinion of the directors, the Group's fund will be retained in Chinese Mainland for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. As at 31 August 2025, the amounts of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately RMB2,259,165,000 (2024: RMB1,736,199,000).

As at 31 August 2025, the Group has tax losses arising in Chinese Mainland of RMB892,038,000 (2024: RMB757,266,000), which will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these temporary differences and tax losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

	2024 HK$'000
10,000,000,000 ordinary shares of HK$0.1 each	1,000,000
2,109,180,000 (2024: 2,115,654,000) ordinary shares of HK$0.1 each	211,565
Equivalent to approximately (in RMB'000)	179,763

A summary of movements in the Company's share capital is as follows:

At 1 September 2023	2,154,000,000	215,400	183,022
Cancellation of issued capital			

A summary of movements in the Company's share capital is as follows: (continued)
Notes:

(a) During the year, the subscription rights attaching to 3,300,000 share options were exercised at the subscription price of HK$2.48 per share (note 30), resulting in the issue of 3,300,000 shares for a total cash consideration, before expenses, of HK$8,184,000 (equivalent to approximately RMB7,457,000). An amount of HK$5,258,000 (equivalent to approximately RMB4,666,000) was transferred from the share option reserve to share premium upon the exercise of the share options.

(b) During the year, the Company has repurchased 12,061,000 shares at a par value of HK$0.1 each on the Hong Kong Stock Exchange at a consideration of HK$43,117,000 (equivalent to approximately RMB38,786,000). As at 24 January 2025, 9,774,000 shares, of which 385,000 shares were repurchased in previous years, were cancelled. The par value of the cancelled shares, of which HK$977,000 (equivalent to approximately RMB831,000) was debited to the Company's issued capital. The remaining balance of RMB30,311,000 was debited to the Company's share premium.

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 94 and 95 of the consolidated financial statements.

The capital reserve of the Group represents the capital contributions from the then investors or school sponsors of the PRC operating subsidiaries, after elimination of investments in subsidiaries.

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the constitutional documents and the Companies Law of the Cayman Islands, the share premium is distributable as dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business at the time the proposed dividend is to be paid.

Pursuant to the relevant laws in the PRC, the Company's subsidiaries and schools in the PRC shall make appropriations from after-tax profit to non-distributable reserve funds as determined by the boards of directors of the relevant subsidiaries and schools in the PRC. These reserves include (i) the general reserve of the limited liability companies and (ii) the development fund of schools.

(i) In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserves may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(ii) According to the relevant PRC laws and regulations, private schools are required to appropriate to the development fund not less than 10% of the net income of the relevant schools as determined in accordance with generally accepted accounting principles in the PRC. The development fund is for the construction or maintenance of the schools or procurement or upgrade of educational equipment.

The Group operates two schemes, including the Restricted Share Award Scheme adopted on 17 December 2018, and the Share Option Scheme adopted on 24 June 2018.

The purpose of the Restricted Share Award Scheme is (i) to recognise and motivate the contribution of the key management personnel and core employees of the Group (the “Selected Participants”); (ii) to help the Group retain and attract the selected participants in attaining the long term business objectives of the Company; and (iii) to further align the interests of the Selected Participants di0 0 sonnel oper
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The fair value of services received in return for shares granted is measured by reference to the fair value of the shares granted. The fair value of the shares granted is based on the difference between the market price of the shares and the subscription price paid by the selected participants at the grant date, adjusted for the exclusion of expected dividends to be received in the vesting period.

During the year, the total share award scheme expenses of RMB2,580,000 (note 7) were charged to profit or loss (2024: RMB3,418,000).

The following award shares were outstanding under the Restricted Share Award Scheme during the year:

At 1 September 2023	53,370,000	8,488,900
Vested	(1,134,700)	(1,134,700)
At 31 August 2024 and 1 September 2024	52,235,300	7,354,200
Vested	(1,134,700)	(1,134,700)
Disposed*	(13,000,000)	–
At 31 August 2025		

* During the year, the Group disposed of 13,000,000 shares held under the share award scheme for an aggregate cash consideration of HK$51,535,000 (equivalent to approximately RMB46,978,000), which was collected on 23 September 2025.

The purpose of the Share Option Scheme is to give the eligible persons an opportunity to have a personal stake in the Group and help motivate them to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

Eligible participants of the Share Option Scheme include: (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group, any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group; (b) a director or proposed director (including an independent non-executive director) of any member of the Group; (c) a direct or indirect shareholder of any member of the Group; (d) a supplier of goods or services to any member of the Group; (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (f) a person or an entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and (g) an associate of any of the persons referred to in paragraphs (a) to (f) above. The Share Option Scheme was adopted on 24 June 2018, and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the listing date (such 10% limit representing 200,000,000 Shares excluding Shares which may fall to issue upon the exercise of the over-allotment option granted by the Group) (the "Scheme Mandate Limit"), representing 9.48% of the issued Shares as at the date of this report.

On 10 March 2023, the Group granted a total of 31,000,000 equity-settled share options (the "March 2023 Share Option Scheme") to the eligible participants, and on 26 April 2023, the Group granted a total of 30,000,000 equity-settled share options (the "April 2023 Share Option Scheme") to Mr. Luo, under the Share Option Scheme at a nominal consideration of HK$0.1 in total by each of the grantees. The exercise price of the share options under the March 2023 Share Option

The weighted average share price at the date of exercise for share options exercised during the year was HK$4.42 per share (2024: no share options were exercised).

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

	2024			
March 2023 Share Option Scheme	29,500,000	2.48	1.59	10 March 2023 to 10 March 2033
April 2023 Share Option Scheme	30,000,000	2.48	1.47	26 April 2023 to 10 March 2033
October 2024 Share Option Scheme	–	4.72	3.12	24 October 2024 to 24 October 2034
Total	59,500,000			

The fair value of the RE-BASEDduring the year was RMB26,934,000 (HK$3.1228 each).

The fair value of the REBAS1anted during the year was estimated as at the date of 1ant using a binomial model, taking into account the terms and condi6 (BASED)17.upon which the 7.6 (BASED)17.were 1anted. The following table lists the inputs t the modelSED

Dividend yield	1.57%
Expected volatility	94.30%
Risk-free interest rate	3.21%
Expected life of optionsq 1 0 0 1ye: the of fair val.me	

The Group recognised share option expenses in aggregate of RMB22,969,000 (2024: RMB37,955,000) during the year.

At the end of the reporting period, the Company had 59,200,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 59,200,000 additional ordinary shares of the Company and additional share capital of HK$5,920,000 (equivalent to approximately RMB5,396,000) and share premium of HK$157,472,000 (equivalent to approximately RMB143,547,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 59,125,000 share options outstanding under the Share Option Scheme, which represented approximately 2.80% of the Company's shares in issue as at that date.

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties:

	Notes	2024 RMB'000
Trade in nature	(i)	
Luzhou Tianzhan		–
Non-trade in nature		
Luzhou Tianli Property		20
Affected Business		686,872
Subtotal		686,892
Total		686,892
	(ii)	
Non-trade in nature		
Nanyuan Construction		91,210
Luzhou Tianli Kindergarten		673
Shanghai Yaqiao	(iii)	19,293
Affected Business		2,302,144
Total		2,413,320
Less: Non-current portion		
Shanghai Yaqiao		15,243
Affected Business		972,534
Total		1,425,543

Notes:

(i) Trade receivables due from related parties were repayable according to normal credit terms and other receivables due from related parties were unsecured and interest-free.

(ii) The amounts due to related parties (including the amounts due to the Affected Business) were unsecured, interest-free and payable within the next 3 to 4 years.

(iii) The Group acquired 80% equity interests in Shanghai Heru Education Technology Company Limited ("Heru Education""

Notes: (continued)

(iv) Amounts due to/from the Affected Business represent balances between the Group and the Affected Business. Prior to 31 August 2021, these balances were eliminated upon consolidation of the Affected Business by the Group. The Group deconsolidated the Affected Business on 31 August 2021, and these balances were no longer eliminated and shown as amounts due to/from the Affected Business.

	2024 RMB'000
Nanyuan Construction	223,047

The considerations for the construction of property, plant and equipment were determined based on prices of actual costs plus a premium of the actual costs, depending on the prevailing market circumstances.

	2024 RMB'000
Shanghai Yaqiao	–
Luzhou Tianzhan	–
Total	–

The considerations for the management services and sale of products to related parties were determined based on prices similarly available to the Group's third-party customers.

	2024 RMB'000
Shanghai Yaqiao	15,243

	2024 RMB'000
Affected Business	117,118
Affected Business	81,540

	2024 RMB'000
Advances received from:	
Chengdu Shenzhou Tianli	331,258
Shanghai Yaqiao	4,050
Affected Business	1,200,306
Total	1,535,614
Repayment of advances to:	
Chengdu Shenzhou Tianli	338,046
Shanghai Yaqiao	–
Affected Business	1,464,423
Total	1,802,469

The Group provides financial guarantees for the Affected Business and Chengdu Shenzhou Tianli. The principal terms of the guarantees are set out as follows:

			2024 RMB'000
Chengdu Pidu Tianli School	Bank of Dalian Co., Ltd. Chengdu Branch	Shenzhou Tianli Education, Tibet Yongsi and Chengdu Tianli Jiaozi Education Technology Co., Ltd.	–
Deyang Tianli School	Bank of Dalian Co., Ltd. Chengdu Branch	Shenzhou Tianli Education, Tibet Yongsi and Chengdu Tianli Jiaozi Education Technology Co., Ltd.	–
Chengdu Longquanyi Tianli School	Bank of China Co., Ltd. Chengdu Pilot Free Trade Zone Branch	Shenzhou Tianli Education	80,000
Ya'an Tianli School	Xingye Bank Co., Ltd., Chengdu Branch	Shenzhou Tianli Education	49,990
Guangyuan Tianli School	Xingye Bank Co., Ltd., Chengdu Branch	Shenzhou Tianli Education	–
Xichang Tianli School	China Zheshang Bank Co., Ltd., Liangshan Branch	Shenzhou Tianli Education, Tibet Yongsi and Xichang Shenzhou Tianli Education Development Co., Ltd.	78,000
Deyang Tianli School	Agricultural Bank of China, Chengdu Jincheng Branch	Shenzhou Tianli Education and Tibet Yongsi	102,000
Guangyuan Tianli School	Huishang Bank Co., Ltd., Chengdu Branch	Shenzhou Tianli Education, Tibet Yongsi	30,000
Guangyuan Tianli School	Zhujiang Financial Leasing Co., Ltd.	Shenzhou Tianli Education	30,418
Total			370,408

	Financial assets at amortised cost RMB'000
Trade receivables	18,362
Financial assets included in prepayments, deposits and other receivables	77,963

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, amounts due from related parties, and the current portion of amounts due to related parties and interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of amounts due to related parties and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in the Group's own non-performance risk for amounts due to related parties and interest-bearing bank and other borrowings as at 31 August 2025 were assessed to be insignificant.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities for which fair values are disclosed

Interest-bearing bank and other borrowings, non-current portion				
Amounts due to related parties, non-current				
Total				

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

Liabilities for which fair values are disclosed (continued)

	Fair value measurement using			
	Quoted prices in active market (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank and other borrowings, non-current portion	–			

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The Group has currency exposures from its bank balances. The Group has not used any foreign currency swap contracts to reduce the exposure to United States dollar and Hong Kong dollar arising from bank balances.

The following table demonstrates the sensitivity to a reasonably possible change in the United States dollar and Hong Kong dollar exchange rates, with all other variables held constant, of the Group's profit after tax due to changes in the fair values of bank balances.

United States dollar		
United States dollar		
Hong Kong dollar		
Hong Kong dollar		

	Increase/(decrease) in basis points	Increase/(decrease) in profit after tax RMB'000
United States dollar	(5)	(7)
United States dollar	5	7
Hong Kong dollar	(5)	(8,025)
Hong Kong dollar	5	8,025

Credit risk is the risk of loss duecrease/ risinability or unwillingnedueof a coun

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and fiscal year-end staging classification as at 31 August 2025 and 31 August 2024. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

Trade receivables*					
Financial assets included in prepayments, deposits and other receivables					
– Normal**					
– Doubtful**					
Cash and cash equivalents					
Time deposits					
Restricted deposits					
Guarantees given to banks in connection with facilities granted to related parties					
– Facilities not yet drawn					
– Facilities drawn – not past due					
Amounts due from related parties					
Total					

Trade receivables*	–	–	–	18,362	18,362
Financial assets included in prepayments, deposits and other receivables					
– Normal**	77,963	–	–	–	77,963
– Doubtful**	–	–	–	–	–
Cash and cash equivalents	1,349,016	–	–	–	1,349,016
Time deposits	9,372	–	–	–	9,372
Guarantees given to banks in connection with facilities granted to related parties					
– Facilities not yet drawn	–	–	–	–	–
– Facilities drawn – not past due	370,408	–	–	–	370,408
Amounts due from related parties	686,892	–	–	–	686,892
Total	2,493,651	–	–	18,362	2,512,013

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank and

The primary objectives of the Group's capital management are to safeguard the Group'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 Group manages its capital structure and makes adjustments to it in light of cha,concerisk (safeg]TJract(safegeristic)0.5(safegGrou

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 RMB'000
Investments in subsidiaries	323
Prepayments, deposits and other receivables	2,143
Amounts due from subsidiaries	1,061,922
Cash and cash equivalents	35,287
Total current assets	1,099,352
Other payables and accruals	20,574
Total current liabilities	20,574
	1,078,778
	1,079,101
EQUITY	
Issued capital	179,763
Treasury shares	(1,330)
Reserves (note)	900,668
Total equity	1,079,101

This report is the sixth Environmental, Social and Governance (ESG) Report issued by the Company, prepared in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The preparation of this report is in line with the reporting principles of materiality, quantitative, balance and consistency.

The Company has applied these reporting principles in the aforementioned Environmental, Social and Governance Reporting Guide as follows:

Materiality: Materiality assessment was conducted to identify material ESG issues during the Reporting Year, thereby adopting the confirmed material issues as the focus of the ESG Report. The materiality of ESG issues was reviewed and confirmed by the Board.

Quantitative: The standards and methodologies used in the calculation of relevant data, as well as the applicable assumptions, are set out in the ESG report. The KPIs were supplemented by explanatory notes to establish benchmarks where feasible.

Balance: This ESG Report was prepared in an objective and impartial manner to unbiasedly present the Company's overall performance in ESG management during the Reporting Period, and avoid the choices, omissions or presentation formats which may have inappropriate impact on the decision or judgment of readers.

Consistency: The statistical data disclosed in this ESG Report was compiled in accordance with the unified information collection process and working mechanism established by the Company and illustrated the changes in the calculation method so that the data can be meaningfully compared in the future. The 2025 statistical areas have been adjusted to be consistent with those of the Annual Report.

The time range for this report covers the period from 1 September 2024 to 31 August 2025. Part of its contents may be dated back to previous years, so as to enhance the comparability and completeness of this report.

This report thoroughly discloses the information and key performance of the Company and its schools of kindergarten and high school education in official operation in the field of ESG, and the statistical scope of part of key performances will be detailed in this report.

All the information and data used in this report were derived from the internal official documents and statistical reports of the Company and its schools, or public information. The Company warrants that there are no false or misleading statements in this report, and is responsible for the authenticity, accuracy and completeness of the contents herein. Upon confirmation of the management, this report was considered and approved by the Board on 28 November 2025.

The electronic version of this report will be available at the websites of the Company (http://www.tianlieducation.com) and The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk).

Tianli International Holdings is committed to fulfilling its long-term commitment to the sustainable development of society. The Board, senior management, Risk Control and Internal Audit Center, Education Management Center, Brand Promotion Center, Human Resources Administration Center and the subordinate schools jointly participate in ESG issues of Tianli International Holdings. In strict compliance with the requirements of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, Tianli International Holdings continues to enhance the Board's participation in and decision-making on ESG-related issues.

As the top decision-making body responsible for ESG matters, the Board is responsible for approving the Company's ESG management approaches and strategies, ensuring the establishment of an appropriate and effective ESG risk management system, reviewing the assessment results of material ESG issues and the annual ESG report, and actively promoting the integration of ESG factors into all aspects of the Company's operations. Led by the Board, Tianli International Holdings has established a systematic mechanism for the daily management of ESG and carries out the identification and assessment of climate-related risks and opportunities. The Risk Control and Internal Audit Center regularly reports on ESG work progress to the Board, and the relevant reports are disclosed after consideration by the Board.

Looking ahead, the Board will continue to review and monitor the Group's ESG performance and is committed to providing stakeholders with reliable, consistent, and comparable key ESG information to jointly promote the sustainable development of society.

This report also discloses the ESG issues of Tianli International Holdings in detail during the Reporting Year, which were approved by the Board on 28 November 2025.

As a leading comprehensive services operator in the PRC, Tianli International Holdings is dedicated to providing

- Our School Motto:

  Nurturing descendants of the heaven, helping students accomplish themselves and benefit others

- Our Core Value:

  Geese spirit, being proactive, student-oriented, teachers' happiness, education at both schools and communities, heritage and integration, sustainable development

- Our Moral Education Goal:

  Sound health, morality, wisdom, behavior, mind and creativity and a positive influence on society in addition to self-realization

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Tianli International Holdings is always committed to building an efficient and robust ESG management framework, and deeply integrating the concept of sustainable development into its corporate culture and daily operations. The Company continues to enhance its ESG governance and management capabilities by fulfilling corporate responsibilities, improving its ESG management system, and deepening communication with stakeholders, thereby contributing to the Company's sustainable development.

In adhering to the mission of "Becoming an innovator and leader in the PRC's private fundamental education sector", Tianli International Holdings abides by its commitment to sustainable development, devotes itself to social responsibility and operation compliance, and expects to drive the green transformation of private fundamental education through its outstanding practices in the ESG aspects.

In strict compliance with the Company Law of the PRC, the Corporate Governance Code of the Stock Exchange in Hong Kong and other laws and regulations, Tianli International Holdings continues to optimise its corporate governance structure. The Company constantly strengthens its internal control and risk management systems, ensures operation compliance, enhances the quality and transparency of information disclosure, and effectively safeguards the rights of investors and other stakeholders to know, participate, and supervise.

As of the end of the reporting period, the Board consisted of eight members, including two executive Directors, three non-executive Directors and three independent non-executive Directors. Such composition ensures objectivity and impartiality in the decision-making process, providing a solid foundation for the Company's long-term development. As the highest decision-making body of the Company, the Board has established the Audit Committee, Remuneration Committee, and Nomination Committee, each of which provides professional advice on significant management matters, and enhances the Board's decision-making efficiency through collaboration. The Remuneration Committee is responsible for approving the remuneration policies and incentive plans for senior management, incorporating sustainable development-related indicators into the appraisal system to promote the implementation of the Company's sustainable development strategy. The Nomination Committee is responsible for recommending and selecting candidates for Board members and senior management to enhance the Company's diversity and governance standards.

In advancing its ESG work, Tianli International Holdings always pays close attention to the core concerns and reasonable demands of all stakeholders, and continues to improve its stakeholder engagement and management mechanisms. The Company relies on diversified communication platforms to maintain regular communication with all stakeholders, collecting and promptly responding to their opinions and suggestions, and effectively integrating them into the Company's governance and decision-making processes to optimize sustainable development management.

Operation compliance Protecting shareholders' interests Open and transparent information	General meetings Announcements and press releases Annual reports SEHK/group website
Good platform for professional development Competitive remuneration packages Healthy and safe working environment	Conferences/teaching and research activities Internal staff training/assessments Employee satisfaction survey
Comfortable learning environment Organizing diversified activities	Student satisfaction survey Themed class meetings/lectures School principal's mailboxes
Excellent teaching quality Positive atmosphere at schools Dietary assurance and campus life assurance for students	Parent meetings Education expos School principal's mailboxes
Rational use of resources Efficient use of water and electricity Compliant waste disposal Pleasant campus environment Green teaching	Green campus Green office Dissemination of green ideas
Long-term and win-win cooperation Fair competition Product quality assurance	Supplier evaluation On-site visits to suppliers Exchange meetings for suppliers Strategic cooperation
Operation compliance Safe teaching environment Social practice and contribution Ensuring information security for students and parents	Compliance report On-site inspections Participation in conferences/seminars
Public charity projects Social activities of students	Activities for public charity Social practice

In strict compliance with the relevant provisions of the Environmental, Social and Governance Reporting Code in Appendix C2 of the Listing Rules of the Hong Kong Stock Exchange, Tianli International Holdings advances the identification and assessment of material ESG issues. In performing the identification procedures, the Company fully considers its own business characteristics and industry development trends, and comprehensively sorts and identifies ESG issues that are importantly relevant to both the Company and its stakeholders under a multi-dimensional and regular stakeholder communication mechanism. This ensures that these issues not only fully address the concerns of all parties but also meet the regulatory requirements set by the Stock Exchange for ESG information disclosure. During the year, the Company identified a total of 25 ESG issues. Based on their level of importance to the Company and its stakeholders, they are classified into 6 highly important issues, 13 moderately important issues, and 6 generally important issues. Based on the importance ranking of the issues as assessed by internal and external stakeholders, the Company further developed an ESG issue materiality matrix. In the following chapters, the specific management measures and performance for the identified issues will be described in detail.

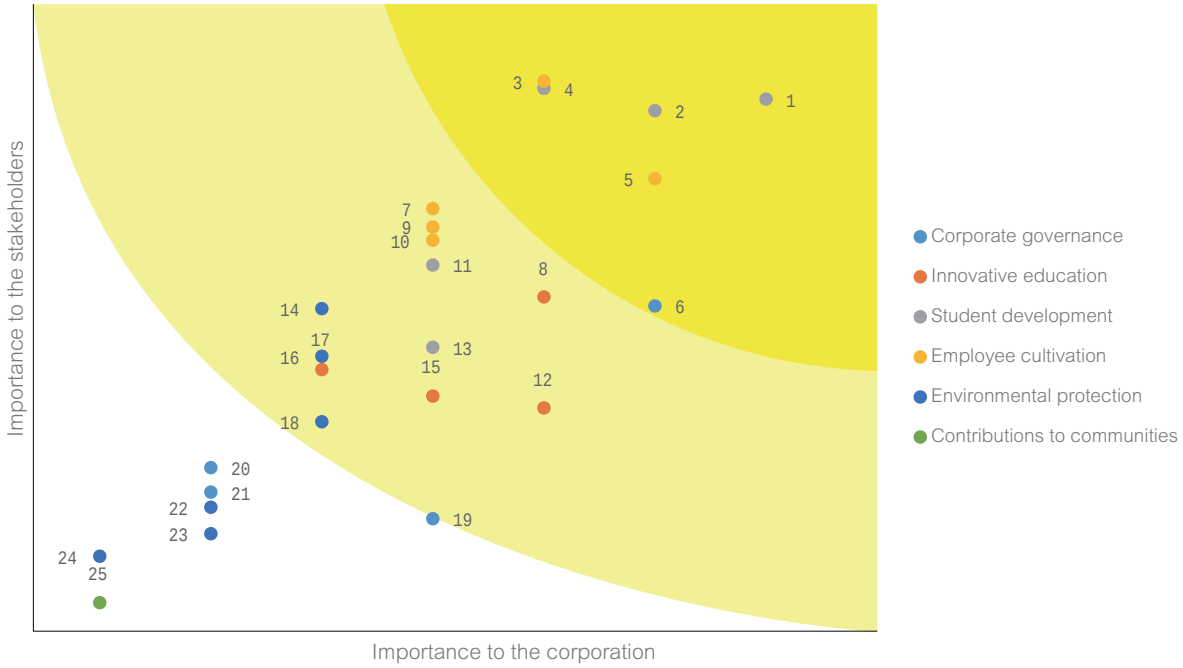


Figure: Tianli International Holdings' Matrix of Material Issues

1	Development of Students' Comprehensive Quality
2	Safety and Health Assurance for Students
3	Professional Ethics and Morality Construction for Teachers
4	Dietary Assurance for Students
5	Faculty Management and Structure
6	Protecting Privacy and Ensuring Information Security for Students and Parents
7	Employee Training and Career Development
8	Teaching Quality Assessment and Improvement
9	Ensuring Safety and Occupational Health for Employees
10	Employee Remuneration and Welfare
11	Communication between Teachers and Parents
12	Innovation in Curriculum Development and Diversification of Education Models
13	Student/Parent Satisfaction
14	Green Teaching and Office Environment
15	Educational Products and Intellectual Property Protection
16	Environmental Education
17	Integration and Enhancement of Educational Resources
18	Water Resource Utilization and Water Conservation
19	Sustainability Management across Supply Chain
20	Compliance Operation and Anti-corruption
21	Complaint Processing Procedures and Service Improvement
22	Climate Change Risks and Opportunities
23	Waste Management
24	Energy Consumption Management
25	Participation in Community Development and Social and Charity Activities

In pursuit of the goal of “cultivating people for the Party and talent for the country”, Tianli International Holdings regards the well-being of teachers and students as our endeavour, and shoulders the responsibility for national rejuvenation as our mission. By persisting in our educational mission, we are deeply committed to enhancing educational quality and teaching standards, and focusing on building a high-quality learning environment, a safe campus ecosystem, and an excellent faculty system, as part of our commitments to nurturing talented individuals with comprehensive core competencies and outstanding overall abilities in the new era.

During the Reporting Year, the number of students enrolled in the high school stage within the school network of Tianli International Holdings was approximately 54,000.

Tianli International Holdings has always been firmly committed to providing high-quality education. By continuing to refine teaching quality, deepen the reform of the education system, and exercise full-process control of key aspects of the teaching process, we systematically solidify students’ foundation of knowledge, stimulate their individual potential, and cultivate learners with solid knowledge, comprehensive qualities, and core competitiveness in the new era.

Tianli International Holdings initiates its “Project No. 1” as the core educational reform project to guide the strategic development of the Company, and coordinate the overall situation from a long-term perspective. Through systematic planning and comprehensive promotion, it continues to deepen the integration of educational resources, upgrade management efficiency, and innovate teaching models. Since the inception of the project in 2021, the Company has built multi-dimensional implementation plans and stepped promotion paths around the project goals. With a series of measures such as scientific allocation of educational resources, optimization of management mechanisms, and innovation of teaching methods in place, the effective implementation of this strategic educational reform initiative is ensured.

During the reporting period, the academic performance of students in our schools improved significantly: 28 students were officially admitted to Tsinghua University and Peking University, 26 students were admitted to the world’s top 10 QS universities and 15 students were admitted to the five major art and sports academies, setting a new historical high.

Adhering to the core value of “student-oriented”, Tianli International Holdings focuses on building a scientific, complete, and efficient teaching and research system. By systematically optimising its curriculum structure and continuously deepening the reform of teaching content, the Company strives to create a curriculum system with both breadth and depth, accurately meeting the diverse learning needs of students, while focusing on cultivating the core competencies that support students’ lifelong development. At the same time, with our diversified teaching seminars and professional development activities held on a regular basis, a platform has been built for teachers to learn from each other and make progress together. By continuously improving the teaching practice ability and professional level of the faculty, we effectively ensure the steady improvement in educational and teaching quality, which is aimed at cultivating future pillars of the nation who can shoulder the great responsibility of national rejuvenation and adapt to the development needs of the times.

Case: Zhoukou Tianli School Conducts Interdisciplinary Integrated Teaching and Research

To break down barriers to academic disciplines, Zhoukou Tianli School focused on “project-based learning” and “STEAM education” in 2025, conducting interdisciplinary integrated teaching and research. For example, it organised teachers of the Chinese language and art to jointly carry out a “Creative Expression of Traditional Culture” research project, where teachers of the Chinese language explored the connotations of poems and allusions, while teachers of art designed forms of expression such as painting and handicrafts, jointly designing projects like “New Paintings of Ancient Poems” and “Cultural and Creative Products for Festivals” to collaboratively explore the intertextual expression of language and art. Such joint lesson preparation and project practice enabled teachers to broaden their horizons and enhance their interdisciplinary teaching abilities.

Tianli International Holdings believes that the professional standard of teachers determines the overall quality of the education team. With a systematic teacher development system built, the quality of the teaching staff will be comprehensively improved. The Company has formulated and implemented a series of professional management systems, including the Management Measures for the Training of Teachers and Staff, the Training Management System for New Teachers and the Ethics Management System for Teachers and Staff. By strengthening teachers’ professional qualities and advanced educational philosophies, and benchmarking against international first-class school standards, it focuses on cultivating teachers’ professional ethics, global education vision, and cross-cultural teaching abilities. Through multi-dimensional training mechanisms and growth path designs, teachers are encouraged to achieve comprehensive development in professional ability, educational innovation, and international understanding, continuously improving their teaching level and global competence.

In 2025, Baoshan Tianli School conducted teacher training centred on the “Four-Step Integration” efficient classroom model. Following the combination of practical drills, scenario simulations, and in-class assessments, teachers were enabled to master “student-oriented” teaching processes and innovative methods. At the same time, focusing on class management, it shared experiences on topics such as creating a positive atmosphere, student development, and integrating moral education, with an emphasis on the need to balance academic achievement with character building. This helps to build a high-calibre team to serve the cultivation of talent.

Tianli International Holdings always abides by the requirements of laws and regulations such as the Law of the People’s Republic of China on the Protection of Minors, the Law of the People’s Republic of China on Work Safety, the Law of the People’s Republic of China on Emergency Response, the Law of the People’s Republic of China on the Prevention and Control of Infectious Diseases, the Law of the People’s Republic of China on Fire Fighting, and the Law of the People’s Republic of China on Food Safety. By systematically improving the campus safety management system and continuously optimising safety management mechanisms, the Company integrates the health and safety education of teachers and students into the entire process of routine management, effectively building a campus safety defense line, and fully guaranteeing the personal safety and physical and mental health of teachers and students, creating a safe and orderly educational and teaching environment.

In active response to the national advocacy for campus safety policy, Tianli International Holdings builds a multi-level safety governance system, systematically enhancing the risk prevention and control capabilities of its campuses. The Company has formulated special systems such as the Regulations for the Implementation of Campus Safety Management and the Safety Management System, forming a system framework covering the entire process of safety management. Furthermore, its upgraded intelligent security system will help build a campus safety barrier that deeply integrates “human defense + technical defense”. Through regular safety education, emergency drills, and safety knowledge promotion, teachers and students have effectively enhanced their own risk prevention awareness and emergency response capabilities.

In building the management system, the Company continues to optimise its safety supervision structure, by establishing a scientific and quantitative assessment and incentive mechanism, and forming a safety control network with well-defined responsibilities and strong execution. A campus safety working committee has been established to coordinate the safety affairs of the entire school. Some campuses have specifically set up leading groups for public health emergencies to ensure timely and efficient responses to emergencies. At the same time, regular professional skills training and anti-explosion emergency drills are conducted for security personnel.

Tianli International Holdings has always placed the dietary health and safety of teachers and students at the forefront. It strictly adheres to regulations such as the Food Safety Law of the People's Republic of China, the Regulations on the Management of Food Safety and Nutritional Health in Schools, the Code of Practice for Food Safety in Food Service. It has established a system of institutional management covering the entire process of the cafeteria, formulating and continuously improving Food Safety Management System for School Cafeteria, Job Responsibilities for Cafeteria Staff, Management System for Operation Rooms, Cafeteria Meal Accompanying System, and Management System for School Meal Management Committee and other special institutional documents. By innovatively creating a digital supervision system of "smart supervision software platform + transparent kitchen hardware facilities", it achieves all-weather, visual monitoring of personnel operations and environmental sanitation in key links such as cafeteria procurement, acceptance, and processing, comprehensively strengthening the campus food safety defense line.

During the reporting period, the Company conducted an emergency response drill for a food safety incident, simulating a rapid emergency linkage activated by the school after students suddenly felt unwell. The drill included simultaneous progress in treatment, order maintenance, and reporting, and cooperated with relevant departments to complete the entire process of accident investigation and traceability, comprehensively testing and improving the practical ability and coordination efficiency in responding to food safety emergencies.

The Company introduces the mechanism where the school principal is the first responsible person for food safety, based on which a three-level management structure of "school-logistics-cafeteria" has been built, equipped with food safety administrators that will affix their signature to responsibility letters. This system ensures job

- Strengthen management of ingredient procurement: The procurement process is comprehensively standardized, and supplier qualifications (including health licenses and inspection certificates) are subject

Tianli International Holdings always adheres to the core value of “people-oriented”, with “loyalty, filial piety, integrity, trust, practicality, courage, learning and love” as the cornerstone of talent development, building a benign ecosystem where employees and the Company grow together. The Company actively promotes the diversification of the talent ecosystem, and attracts outstanding talents from diverse global backgrounds and with multi-dimensional expertise through open and inclusive recruitment strategies. At the talent cultivation level, the Company has built a competitive integrated salary and welfare system, and systematically established a career development support platform. Through regular career planning guidance, progression-based professional skills training, and leadership empowerment programs, it continues to activate employees’ growth momentum, helping individuals achieve breakthroughs in their careers and realize their value.

Recognizing the synergistic effect of employee well-being and corporate sustainable development, the Company considers improving the physical and mental health and living quality of employees as a strategic focus. On the one hand, through a scientific physical and mental health management mechanism, the health bottom line of employees is protected; on the other hand, a “team cohesion project” is innovatively created, building a warm workplace family through diverse carriers such as themed team building, festival care, and heartwarming welfare plans. This dual-drive model of “development empowerment + humanistic care” not only allows employees to gain a sense of accomplishment in their careers, but also to feel the presence of a caring company in their lives, ultimately achieving a resonance between personal value and corporate brilliance.

Tianli International Holdings strictly adheres to the requirements of laws and regulations such as the Company Law of the People’s Republic of China, the Labor Law of the People’s Republic of China, and the Law of the People’

As for the salary mechanism development, the Company adheres to the principle of “equal value creation

Tianli International Holdings adheres to the talent cultivation concept of “Learning is an important way to improve one’s personal cultivation”. With a systematic and standardized training and development system built, all employees are provided with a fair and open development platform. The Company has formulated and implemented special policies such as the “Training Management System of the Basic Education Division of Tianli Education Group” (《天立教育集團基礎教育事業部培訓管理制度》), and established a career development channel covering all employees, effectively ensuring that every employee enjoys equal learning opportunities and growth space.

In 2025, under the strategic guidance of the “20-character Policy”[1], the Company will continue to implement a “strategy-oriented” talent cultivation mechanism. Based on the differentiated development needs of each school, the Company will systematically implement a stratified and classified reserve talent team training plan, and the “seven-step work method”[2] is used to regulate the entire process of talent cultivation paths. By accurately aligning organizational development needs with talent growth needs, this system continues to provide talent support for the implementation of school strategies, and focuses on cultivating core talents who can promote the sustainable development of schools.

As of the end of this reporting year, the average number of training hours for employees of the Company was up to 32.47 hours/person, with a training coverage rate of 100%.

Adhering to the core of the Geese spirit of “being the first, uniting and collaborating, aiming high, and pursuing excellence”, Tianli International Holdings systematically promotes the capacity building project for backbone teachers, focusing on enhancing teachers’ professionalism, the cultivation of core competencies, and the advancement of educational management capabilities, while striving to forge an education legion with both moral integrity and professional competence.

Tianli International Holdings has always regarded young teachers as the core force for promoting educational innovation and improving teaching quality, and attaches great importance to their cultivation and development. During the reporting year, the Company continued to deepen, implement and promote the mentor-apprentice twinning program of “Up-and-coming Elites Project”. Being established between senior teachers and energetic young teachers with great development potential, the close mentoring relationship focuses on improving the moral cultivation, professional skills, and scientific research level of young teachers, thereby effectively realizing the intergenerational inheritance of educational wisdom and practical experience. Luzhou Tianli School has established 50 pairs of mentors and apprentices, integrating the “Up-and-coming Elites Project” into daily teaching scenarios, and promoting the direct application of high-quality experience to the classroom through the practical effect of “imparting, helping and leading”, helping young teachers grow rapidly.

Requirements of the “Up-and-coming Elites Project”:

(1) High standards for selecting mentors: Mentors shall perform their duties well to the implementation of “imparting, helping and leading”. Mentors are required to make their teaching plans and classes public so that young teachers can attend and learn in a timely manner.

(2) Delineate the scope and personnel of young teachers and voluntarily select mentors: In principle, each mentor shall instruct no more than two young teachers. Young teachers are required to write detailed plans, prepare lessons by class time, and seek advice from mentors on teaching plans.

(3) Develop a twinning class attendances schedule designated for the “Up-and-coming Elites Project”: Young teachers are required to attend at least 2 classes by the mentor every week, and the mentor is required to attend no less than 8 classes by young teachers per semester, which shall cover preparing lessons, attending lessons, demonstrating lessons, and evaluating lessons.

(4) Develop a corresponding assessment and reward system: The Teacher Development Center shall keep track of the inspection records, taking them as an important basis for the final assessment of young teachers and mentors.

Tianli International Holdings is concerned about the happiness of its employees and strives to create a workplace environment that is both efficient and full of humanistic warmth. The Company enriches the leisure life experience of its employees and strengthens team cohesion and organizational belonging by building a diversified employee activity system. During the reporting year, the Company organized professional exchange activities such as a personnel symposium, a brand promotion symposium, a New Year review and refinement meeting, and doctoral talent exchange meetings, providing an efficient and smooth communication platform for employees. At the same time, in conjunction with traditional and professional festivals such as the Dragon Boat Festival and Teachers’ Day, the Company planned and implemented a series of themed activities to create a positive, harmonious, and amicable work and life atmosphere, and deepen employees’ corporate identity. We continue to explore diversified and precise employee care models to help employees achieve a balance between work and life, and muster development synergy to elevate the Company to a higher level.

Tianli International Holdings regards compliance management as pivotal to the stable development of the enterprise. As an enterprise shouldering the mission of educational operation and comprehensive services, Tianli International Holdings has always abided by national laws and regulations and regulatory provisions such as the Listing Rules of the Hong Kong Stock Exchange, and has established and continuously improved a compliance management system and institutional framework. The Company closely follows changes in policies and regulations, and promptly identifies and prevents compliance risks through comprehensive supervision and inspection, in-depth compliance review, special audits, and a strict accountability mechanism, providing strong support for the Company's sustained high-quality development.

Tianli International Holdings strictly complies with laws and regulations such as the Company Law of the People's Republic of China and the Basic Standards for Enterprise Internal Control, and continuously revises and improves internal management policies such as the "Risk Control System" and the "Brand Promotion Management System". The Company has established a risk control and internal audit center system jointly composed of the Audit and Supervision Department, the Internal Control Department, and the Legal Department, and has fully integrated risk management into daily operations, continuously improving the risk management capabilities at all levels.

The Company attaches great importance to risk prevention and control, and conducts a comprehensive annual internal control inspection to conduct a horizontal comparative analysis of various types of risks, and proposes major risk management measures and improvement strategies. During the reporting period, the Internal Control Department under the Risk Control and Internal Audit Center completed a number of audit tasks, including internal control audits, engineering audits, and bidding audits. Through the systematic implementation of internal audits, the Company has sorted out and optimized the systems and processes with deficiencies, formulated and implemented rectification plans, continuously enhanced the risk prevention awareness of all employees, comprehensively improved the overall risk control capabilities, and consolidated the foundation of compliant operations.

The Company has fully integrated compliance awareness into its corporate culture construction, requiring employees of each project to conduct monthly summaries and reflections on risk issues. The Company also organizes special training via external online platforms to continuously strengthen employees' risk prevention and control awareness. During the reporting period, the Company conducted special training covering compliant operations, anti-corruption, and integrity for the management team and business backbones. The trainees included senior management, middle-level executives, and personnel in key positions of the Company and its schools, totalling approximately 360 attendees. The training was conducted in a variety of forms, such as knowledge competitions and case studies, to ensure that employees fully understand the concepts and tools of risk management, and to enhance the Company's ability to operate in a standardized manner.

Tianli International Holdings attaches great importance to the construction of anti-corruption and integrity, upholds honest and compliant business ethics as its guiding principle, actively advances business ethics development and cultivates a culture of integrity. The Company strictly complies with laws and regulations such as the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Interim Provisions on Preventing Commercial Bribery, and has formulated and continuously revised internal systems such as the Internal Audit Regulations and the Risk Prevention and Control System and Assessment Measures for Disciplinary Violations and Public Opinion of Tianli International Holdings Group, with zero tolerance for violations and a firm commitment to the bottom line of corporate compliance. At the same time, the Company has established a systematic fraud risk identification and assessment mechanism, and comprehensively covers and dynamically monitors potential fraud risks through regular audits, big data analysis, and channel reporting mechanisms. To further strengthen the line of defense for integrity, the Company has specially set up a reporting channel for violations of regulations and disciplines, actively advocates for employee participation in internal supervision, and regularly conducts special training such as integrity culture promotion and analysis of warning education cases for senior executives and all employees of the Group, continuously creating a clean and upright corporate atmosphere. During the reporting period, the Group experienced no corruption litigation cases.

Case: Tianli International Holdings Conducted Special Warning Education and Publicity on "Integrity in Corporate Governance"

In 2025, to continuously deepen the construction of an integrity culture, Tianli International Holdings institutionalised its "Integrity in Corporate Governance" special warning education and publicity activities every academic year. The training was targeted senior executives of the Group, and relevant key personnel in various campuses and subsidiaries, with a cumulative coverage of more than 360 participants. The training content focused on typical cases of violations and disciplinary breaches investigated within the Group during the year. It involved an in-depth analysis of the root causes, progression pathways, and severe consequences of such incidents. Furthermore, it identified integrity risks within the exercise of authority across various positions, while concurrently interpreting relevant laws, regulations, and internal system norms.

Tianli International Holdings strictly follows the system and conducts a comprehensive review of more than ten types of contracts, including investment, engineering construction, financing, and leasing. During the reporting period, the Company achieved high-quality contract performance, with a total contract fulfillment rate of over 90%.

Tianli International Holdings deeply understands the importance of intellectual property protection, strictly complies with relevant laws and regulations such as the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Copyright Law of the People's Republic of China, and has updated and revised internal documents such as the Intellectual Property Management Measures to standardize the application, use, and maintenance of the Company's trademarks, patents, copyrights, and other intellectual property, so that every intellectual innovation achievement is respected and protected. At the same time, the Company regularly holds intellectual property protection training, and conducts training on the basic concepts, laws and regulations, and protection practices of intellectual property to enhance the awareness of intellectual property protection. During the reporting period, the Company did not have any intellectual property-related cases.

Case: Tianli International Holdings Conducted Special Training on Intellectual Property

On 31 July 2025, the Company conducted an intellectual property training with the theme of "Practical Guide to Corporate Intellectual Property Compliance and Infringement Prevention and Control". The training content covered strategies for online rights protection and platform complaint countermeasures, intellectual property protection and infringement risk prevention in the R&D process, common infringements in advertising and publicity and prevention and control measures. This initiative aims to enhance the awareness of intellectual property compliance among all employees.

Tianli International Holdings strictly complies with the requirements of laws and regulations such as the Data Security Law of the People's Republic of China and the Cybersecurity Law of the People's Republic of China, and has established a comprehensive information security management system. The Company promptly identifies and repairs potential security risks by regularly conducting system security audits and vulnerability scans to ensure the continuous and stable operation of the information system. In 2025, the Company fully implemented the signing of the confidentiality agreements, clarifying confidentiality obligations in legal form and building a security line for the privacy information of students and parents. At the same time, Tianli International Holdings continues to carry out information security awareness training for all employees to improve the overall security protection capabilities, so that every employee becomes a key component of the corporate information security line. During the reporting period, the Company did not have any incidents that endangered its information security.

Tianli International Holdings is committed to deeply integrating the concept of responsible procurement into supply chain management, continuously optimizing the supplier management mechanism, and requiring suppliers to conduct relevant business activities in a responsible manner to ensure the safe operation of schools. The Company continues to improve systems such as the Management System for Procurement and Bidding and the Measures for Supplier Performance Evaluation and Management to standardize the screening and admission process of suppliers and ensure that all procurement activities are legal and compliant. During the reporting year, the Company had a total of 364 suppliers.

Responsible Procurement

To practice the concept of sustainable procurement, Tianli International Holdings strictly adheres to the Management System for Procurement and Bidding, and conducts strict screening across multiple dimensions such as environmental protection, labor rights protection, and business ethics compliance, and gives priority to partners demonstrating outstanding performance in sustainable development. By signing a responsible procurement agreement, the obligations of both parties in terms of environmental and social responsibility are clarified, and suppliers are actively guided to promote green production methods to reduce resource consumption and environmental pollution.

Audit and Evaluation

The Company has established a complete supplier audit system to implement differentiated management of the entire process of supplier admission, performance evaluation, and exit. This system sets seven core dimensions: company qualifications, financial health, warehousing and distribution capabilities, cooperation potential, strategic synergy, execution capabilities, and operating conditions, and rates suppliers into five levels from AA to C and a non-compliant blacklist. In daily management, the Company conducts dynamic evaluation of each batch of raw materials covering product quality and service management, and initiates differentiated disposal mechanisms for non-compliant suppliers based on the rating results, including special approval applications, time-limited rectification, or direct disqualification, to achieve closed-loop optimization and continuous improvement of the supply chain.

Tianli International Holdings regards environmental protection as its core corporate responsibility and actively builds a green, ecological, and harmonious campus environment. The Company abides by the Environmental Protection Law of the People's Republic of China, the Law on the Prevention and Control of Environmental Pollution of Solid Waste of the People's Republic of China and other laws and regulations. In campus construction, priority is given to the use of environmentally friendly building materials, scientific planning of green landscapes, and continuous improvement of campus ecological diversity. In education and teaching, environmental education courses are systematically carried out, low-carbon living is advocated, and students are encouraged to participate in energy conservation and emission reduction practices, effectively enhancing the environmental awareness of teachers and students, and contributing to the green and sustainable development of society through practical actions.

Tianli International Holdings continues to improve the environmental management system of each campus, and revises and implements internal management systems such as the Green School Office System. The Company improves resource utilization efficiency through measures such as optimizing the energy structure, promoting the application of energy-saving equipment, and strengthening the whole-process management of waste. At the same time, it actively advocates green commuting and paperless office, and guides teachers, students, and staff to practice low-carbon behaviors, and comprehensively builds a green campus ecosystem from infrastructure to daily operations.

Saving Water and Electricity

Special plans for energy conservation and emission reduction are formulated and implemented in each campus, and the start and stop schedule of the lighting systems in the teaching and living areas are scientifically set to effectively avoid long-running lights and idle equipment. The day-to-day maintenance and data-based monitoring of water supply facilities are strengthened, a daily statistics and comparison mechanism for water and electricity consumption is established, and metering devices are regularly calibrated. Abnormal water consumption is promptly traced to its source to prevent the wastage of resources caused by long-term leakage. A system of daily recording, weekly summary, and monthly evaluation of energy consumption data is implemented to build an energy-saving management system with full participation and full traceability.

Green Commuting

In compliance with the “safe, economical, and standardized” principle, the unified dispatch of official vehicles is implemented, and special accounting is carried out for fuel consumption and tolls that exceed the normal range. Through quantitative management, unreasonable use of vehicles is effectively restrained, reducing greenhouse gas emissions caused by excessive use of vehicles.

Green Office

The refined management of electricity consumption during working hours is fully implemented, and the lighting, air conditioning, and ventilation equipment in meeting places are required to be turned off in a timely manner. Paperless office is actively advocated, by circulating the electronic documents to reduce the printing of paper documents. Special recycling facilities are set up to classify and collect office paper, newspapers, and packaging materials. The use of environmentally friendly office supplies such as refillable writing tools, recycled toner cartridges, and rechargeable batteries is promoted to comprehensively improve the efficiency of resource recycling.

Environmental Improvement

The campus greening and beautification project is systematically promoted, with the maintenance and management of flowers and trees strengthened, and the campus green coverage rate continuously increased. Attention is paid to the organic combination of campus landscape and humanistic education, creating an ecological environment with rich cultural connotations, achieving the educational effect of “integrating teaching into the scenery and integrating the scenery with teaching”, and playing the dual role of environmental beautification and humanistic quality cultivation.

Hazardous Waste Treatment

To standardize the waste management on campus, the Human Resources and Administration Department has established a special ledger for hazardous waste, which records in detail the source, specific type, quantity, flow, and disposal method of various types of hazardous waste. Each campus implements a system of designated storage and dedicated personnel management, and regularly entrusts third-party organizations with corresponding qualifications for compliant recycling and harmless treatment.

Non-hazardous Waste Treatment

For general waste, various departments actively implement reduction measures, including promoting double-sided printing to reduce paper consumption, giving priority to the use of recyclable office supplies, and advocating that employees bring their own water cups to reduce the use of disposable paper cups. At the same time, special recycling facilities are set up in the office area to classify and collect recyclable waste such as waste paper and newspapers, which are subsequently processed for resource recovery by designated recycling units.

Case: Cangxi Tianli School Launches Energy Conservation and Emission Reduction Activities

In 2025, to deeply implement the energy conservation and emission reduction goal and jointly create a green and low-carbon campus, Cangxi Tianli School actively promoted a number of s

Tianli International Holdings integrates the concept of green education throughout the entire process of teaching practice, and focuses on cultivating students' environmental awareness and the concept of sustainable development. The school systematically introduces environmental science content in its curriculum and organizes extracurricular practical activities with distinct themes to guide students to deepen their understanding of environmental protection concepts through participation and consciously practice a green lifestyle. At the same time, the Company actively collaborates with the community to carry out environmental protection and public welfare projects, and promotes the impact of green education from the campus to a wider social level. Through multi-dimensional and systematic educational practices, Tianli International Holdings is committed to cultivating green citizens with a sense of environmental responsibility and practical ability, and continues to assist in the promotion and deepening of the sustainability concept among the new generation.

Green Teaching System

The Company advocates the deep integration of environmental education into the school's conventional system, and establishes a school environmental education division of labor and responsibility system led by the principal's office. According to the functions of each department, annual environmental education work goals are set separately, and teachers are encouraged to integrate environmental protection concepts into the teaching process in combination with the characteristics of their subjects.

Curriculum System Reform

Tianli International Holdings attaches great importance to the issue of climate change, and has established a climate change governance structure to comprehensively supervise the impact of climate change issues on the Company's business and operations.

Board Participation	Tianli International Holdings has established a climate change governance structure directly led by the Board, which is responsible for formulating the overall strategy, setting emission reduction targets, and ensuring resource investment, taking the lead in practicing climate change response measures, and establishing a correct value orientation for all employees
Division of Responsibilities of Various Departments	Each functional department is responsible for greenhouse gas inventory and emission management, energy efficiency improvement and energy conservation and emission reduction, as well as green procurement and supplier management
Cross-campus Collaboration	A cross-campus climate action group has been established to regularly exchange information, evaluate results, and coordinate and promote work to ensure the organic integration of various measures

Based on multi-dimensional information such as climate scenario analysis, domestic and foreign policy guidance, and the Company’s actual operations, Tianli International Holdings systematically identifies climate-related risks that have a significant impact on its business operations, and formulates special response plans accordingly to enhance climate resilience and strategic foresight.

The growth of talents relies not only on the careful nurturing provided by schools, but also requires the forging of its value through practical engagement with society. Tianli International Holdings aggregates family and social resources with the concept of collaborative education, focusing on creating a talent cultivation hub that meets societal demands, and empowers students to enhance their comprehensive competitiveness for the future. At the same time, the Company has always adhered to its mission as a corporate citizen, giving back to society with a public welfare spirit, and continuously conveying warmth and positive energy to the community through regular public welfare practices.

Tianli International Holdings continues to promote home-school collaboration, innovate ways of home-school co-education, build efficient communication channels, and promote close cooperation between family education and school education. Teachers in each school establish a stable home-school cooperation network through daily communication tools (such as class WeChat groups) and regular parent meetings, which not only ensures timely communication of information, but also improves teaching effectiveness through the joint efforts of home and school, helping students to develop in an all-round way.

In terms of stratified and classified guidance, the Company adopts differentiated home-school co-education

Tianli International Holdings has always taken rooting in society and giving back to society as its own responsibility, and actively advocates and promotes all employees to participate in public welfare undertakings, and encourages employees to spontaneously organize and deeply engage in educational public welfare activities.

In 2025, the Company continued to deepen its layout in public welfare undertakings, focusing on key areas such as donation and student aid, and poverty alleviation, conveying corporate warmth with practical actions.

In the future, we will remain steadfast in our original intention of public welfare, and actively explore new pathways for social forces to participate in public welfare through model innovation and resource integration. We look forward to empowering the development of education with more targeted public welfare practices, and mobilizing the forces of all sectors of society to collectively foster a mutually supportive and progressive social environment, so as to pave the way for broader opportunities in the growth of the next generation.

Case: Lanzhou Tianli School's Paired Assistance Initiative for Rural Schools in Yuzhong County

In 2025, adhering to the original intention of educational balance and rural revitalization, Lanzhou Tianli School established a paired assistance relationship with two rural schools in Yuzhong County, Gansu Province, delivering high-quality resources and care to local teachers and students. We dispatched 12 core teachers to conduct 24 outreach teaching sessions covering the full spectrum of primary to high school curricula, introducing advanced teaching methodologies and curriculum frameworks to rural classrooms. At the same time, we donated 12,000 books and more than 300 teaching instruments, while organizing on-the-job training for rural teachers at our campus, with over 60 participants sharing access to specialized curriculum resources such as the Lida Thinking Reading 3.0 program. Such assistance initiative not only improved the educational facilities of the recipient schools, but also promoted the sharing of educational resources between urban and rural areas, embodying the Group's social responsibility and educational mission.

Direct GHG emissions (scope I)	Ton (CO2 equivalent)		4,627.62	4,227.51
Indirect GHG emissions (scope II)	Ton (CO2 equivalent)		14,031.13	8,871.92
Total GHG emissions	Ton (CO2 equivalent)		18,658.76	13,099.43
GHG intensity	Ton (CO2 equivalent)/million operating revenue		5.62	5.69
Total amount of hazardous wastes	Kilogram		2,156.58	6,829.08
Intensity of hazardous wastes	Kilogram/million operating revenue		0.65	2.97
Total amount of non-hazardous wastes	Ton		6,332.07	3,627.55
Intensity of non-hazardous wastes	Ton/million operating revenue		1.91	1.58
Daily life garbage	Ton		2,952.95	2,188.30
Kitchen garbage	Ton		3,379.12	1,439.25
Wasted paper	Ton	/	/	/
Total energy consumption [4]	Ton standard coal		5,772.55	4,449.44
Energy consumption intensity	Ton standard coal/million operating revenue		1.74	1.93
Gasoline consumption	Liter		126,153.67	76,642.59
Diesel consumption	Liter		13,597.17	13,629.81
Natural gas consumption	Cubic meter		1,995,034.23	1,838,031.13
Pipeline gas consumption	Cubic meter		0.00	22,424.38
Outsourced electricity	kWh		24,149,969.04	15,270,087.37

[3] Note: Direct GHG emissions (scope I) are calculated based on the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of 24 Industries in China issued by the Development and Reform Commission of the State Council, and are calculated based on the consumption of gasoline, diesel, natural gas and pipeline gas, which are the main energy consumption categories in the operation; while indirect GHG emissions (scope II) are calculated based on the Notice on the Key Work of Enterprise Greenhouse Gas Emissions Reporting Management in 2022, which is derived from the conversion of outsourced electricity;

[4] Note: The total energy consumption is calculated based on the GBT2589-2020 General Rules for Comprehensive Energy Consumption Calculation.

	Water used in offices and life	Ton	2,312,686.65	1,088,044.56
	Water use intensity	Ton/million operating revenue	696.41	472.54
		Person	5,668	5,029
Gender	Male	Person	2,149	1,907
	Female	Person	3,519	3,122
Employee type	Administrative and managerial employees	Person	283	191
	Teacher	Person	2,446	2,090
	Staff	Person	2,939	2,748
Age	Under 30 years old	Person	1,562	1,627
	30 to 50 years old	Person	3,001	2,561
	Above 50 years old	Person	1,105	841
Geographical region [6]	Sichuan Province	Person	2,917	2,900
	Mainland China (excluding Sichuan Province but including Hong Kong, Macao and Taiwan)	Person	2,751	2,129
	Overseas	Person	0	0
		%	15.35	12.54
Gender	Male employee turnover rate	%	16.05	13.55
	Female employee turnover rate	%	14.92	11.91
Age	Turnover rate of employees aged under 30	%	16.87	13.41
	Turnover rate of employees aged 30 to 50	%	13.64	11.05
	Turnover rate of employees aged above 50	%	19.11	15.22
Geographical region	Turnover rate of employees in Sichuan Province	%	14.91	12.55
	Turnover rate of employees in Mainland China (excluding Sichuan Province but including Hong Kong, Macao and Taiwan)	%	15.82	12.48
	Turnover rate of overseas employees	%	0	0

[5] Note: The number of teaching and administrative staff related to compulsory education is not included in the statistics of the 2023, 2024 and 2025 ESG reports as a result of the change in the statistical calibre of the Company's annual report.

[6] Note: This indicator is the location of the employee's workplace.

[7] Note: In terms of the turnover structure, the majority of resigned employees belonged to the logistics division, with the teaching staff recording a turnover rate of approximately 3.77%.

A1: Emissions	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	SUSTAINABLE DEVELOPMENT – Advocating Green Operations
A1.1	The types of emissions and respective emissions data.	APPENDIX I ESG DATA LIST
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX I ESG DATA LIST
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX I ESG DATA LIST
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	APPENDIX I ESG DATA LIST
A1.5	Description of emissions target (s) set and steps taken to achieve them.	/
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	SUSTAINABLE DEVELOPMENT – Advocating Green Operations
A2: Use of Resources	General disclosure Policies on the efficient use of resources, including energy, water, and other raw materials.	SUSTAINABLE DEVELOPMENT – Advocating Green Operations
A2.1	(e.g. per 7nit of production volume, per 30288ity).	APPENDIX I ESG DATA LIST

A3: The Environment and Natural Resources	General disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	SUSTAINABLE DEVELOPMENT – Advocating Green Operations
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	SUSTAINABLE DEVELOPMENT – Advocating Green Operations
A4: Climate Change	General disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	SUSTAINABLE DEVELOPMENT – Advocating Green Operations
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	SUSTAINABLE DEVELOPMENT – Advocating Green Operations
B1: Employment	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti – discrimination, and other benefits and welfare.	TEACHERS' HAPPINESS – Open Development Road
B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	TEACHERS' HAPPINESS – Open Development Road APPENDIX I ESG DATA LIST
B1.2	Employee turnover rate by gender, age group and geographical region.	TEACHERS' HAPPINESS – Open Development Road APPENDIX I ESG DATA LIST
B2: Health and Safety	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	TEACHERS' HAPPINESS – Open Development Road
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	TEACHERS' HAPPINESS – Open Development Road APPENDIX I ESG DATA LIST
B2.2	Lost days due to work injury.	TEACHERS' HAPPINESS – Open Development Road APPENDIX I ESG DATA LIST
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	TEACHERS' HAPPINESS – Open Development Road

B3: Development and Training	General disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	TEACHERS' HAPPINESS – Open Development Road
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	TEACHERS' HAPPINESS – Open Development Road APPENDIX I ESG DATA LIST
B3.2	The average training hours completed per employee by gender and employee category.	TEACHERS' HAPPINESS – Open Development Road APPENDIX I ESG DATA LIST
B4: Labour Standards	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	TEACHERS' HAPPINESS – Open Development Road
B4.1	Description of measures to review employment practices to avoid child and forced labour.	TEACHERS' HAPPINESS – Open Development Road
B4.2	Description of steps taken to eliminate such practices when discovered.	TEACHERS' HAPPINESS – Open Development Road
B5: Supply Chain Management	General disclosure Policies on managing environmental and social risks of the supply chain.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B5.1	Number of suppliers by geographical region.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance APPENDIX I ESG DATA LIST
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance

B6: Product Liability	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	STUDENT-ORIENTED APPROACH
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. The Company does not involve product quality assurances and recalls during its operation.
B6.2	Number of products and service-related complaints received and how they are dealt with.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B6.3	Description of practices relating to observing and protecting intellectual property rights.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B6.4	Description of quality assurance process and recall procedures.	Not applicable. The Company does not involve product quality assurances and recalls during its operation.
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B7: Anti-corruption	General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B7.3	Description of anti-corruption training provided to directors and staff.	SUSTAINABLE DEVELOPMENT – Ensuring Operation Compliance
B8: Community Investment	General disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	SCHOOL-COMMUNITY COOPERATION
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	SCHOOL-COMMUNITY COOPERATION – Enthusiastic in Public Welfare
B8.2	Resources contributed (e.g. money or time) to the focus area.	SCHOOL-COMMUNITY COOPERATION – Enthusiastic in Public Welfare

In this report, the following expressions have the meanings set out below unless the context requires otherwise:

“affiliate”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AGM”	annual general meeting
“Articles” or “Articles of Association”	the articles of association of the Company adopted on 24 June 2018, and as amended from timw 3.883Gom timg

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"IPO"	initial public offering
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Nanyuan Construction"	Sichuan Nanyuan Construction Co., Ltd. (四川南苑建設有限公司), a limited liability company established in the PRC on 30 June 2000 and is wholly-owned by Tianli Holding, a connected person (as defined in the Listing Rules) of the Company, it was formerly known as Luzhou Nanyuan Construction Engineering Co., Ltd. (瀘州市南苑建築工程有限公司)
"Nomination Committee"	a committee of the Board established by the Board to assist, identify, screen and recommend to the Board appropriate candidates to serve as Directors of the Company, to oversee the process for evaluating the performance of the Board and to develop, recommend to the Board and monitor nomination guidelines for the Company
"PRC"	the People's Republic of China which, for the purpose of this report, excludes the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"PRC Operating Entities"	the schools and entities which we BoarSro pthroughpth BoarSracual r0.6 (anrrnge entes]TJ-1

"Remuneration Committee"	a committee of the Board established by the Board to assist the Board to develop and administer a formal and transparent procedure for setting policy on executive Directors' remuneration and all Directors' and senior management's remuneration packages
"Reporting Year"	the period for the year ended 31 August 2025
"Restricted Share Award Scheme"	the restricted share award scheme for the award of Shares to eligible participant, adopted by the Company on 17 December 2018, pursuant to the announcement made by the Company on 17 December 2018
"RMB"	Renminbi yuan, the lawful currency of the PRC
"Selected Participants"	eligible persons selected by the Board or authorized administrators to be granted the share awards under the Restricted Share Award Scheme at its sole discretion
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of HKD0.1 each
"Share Option Scheme"	the share option scheme of our Company, adopted pursuant to a resolution of our Shareholders on 24 June 2018, the principal terms of which are summarized in the section headed "Statutory and General Information – E. Share Option Scheme" in Appendix V to the Prospectus
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"/"SEHK"	The Stock Exchange of Hong Kong Limited
"Structured Contracts"	collectively, the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the School Sponsors' and Directors' Rights Entrustment Agreement, the School Sponsors' Powers of Attorney, the Directors' Powers of Attorney, the Shareholders' Rights Entrustment Agreement, the Shareholders' Powers of Attorney, the Spouse Undertakings, the Equity Pledge Agreements, and the Loan Agreement, and any subsequent amendments and supplements to such agreements, further details of which are set out in "Structured Contracts" in the Prospectus

"Tianli Education"	Shenzhou Tianli Education Investment Co., Ltd. (神州天立教育投資有限責任公司), a limited liability company established in the PRC on 19 April 2013 and our principal operating subsidiary, it was formerly known as Sichuan Shenzhou Tianli Education Investment Co., Ltd. (四川神州天立教育投資有限公司)
"Tianli Holding"	Shenzhou Tianli Holdings Group Limited (神州天立控股集團有限公司), formerly Shenzhou Tianli Investment Group Limited (神州天立投資集團有限公司), a limited