THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tianli International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

天立国际控股有限公司
Tianli International Holdings Limited

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

(1) CONTINUING CONNECTED TRANSACTIONS 2024 SCHOOL CONSTRUCTION FRAMEWORK AGREEMENT AND 2024 SCHOOL CONSTRUCTION SUPPLEMENTAL FRAMEWORK AGREEMENT; (2) PROPOSED AMENDMENTS TO THE EXISTING M&A AND PROPOSED ADOPTION OF THE NEW M&A; AND (3) NOTICE OF THE EGM

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

RAINBOW.
RAINBOW CAPITAL (HK) LIMITED
浤博資本有限公司

A letter from the Board is set out on pages 5 to 18 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 19 to 20 of this circular. A letter from Rainbow Capital (HK) Limited, the independent financial adviser, containing its advice and recommendations to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 37 of this circular.

A notice convening the EGM to be held at Conference Room 4, 3rd Floor, JW Marriott Hotel, 6005 Shennan Boulevard, Futian District, Shenzhen, Guangdong Province, China on Friday, 27 September 2024 at 10 a.m. is set out on pages 53 to 55 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Tianli International Holdings Limited's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

6 September 2024

CONTENTS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"2021 School Construction Framework Agreement"	the agreement entered into between Tianli Education and Nanyuan Construction on 9 September 2021, pursuant to which, among other things, the New School Construction Framework Agreement is renewed for a term of three years until 31 August 2024;
"2024 School Construction Framework Agreement"	the agreement entered into between Tianli Education and Nanyuan Construction on 17 July 2024, pursuant to which, among other things, the 2021 School Construction Framework Agreement is renewed for a term of three years until 31 August 2027;
"2024 School Construction Supplemental Framework Agreement"	the supplemental agreement entered into between Tianli Education and Nanyuan Construction on 16 August 2024 pursuant to which the Annual Caps have been updated;
"Annual Cap(s)"	the proposed annual caps for the transactions contemplated under the 2024 School Construction Framework Agreement (as updated by the 2024 School Construction Supplemental Framework Agreement) for each of the three years ending 31 August 2027 as set out in the Circular;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors of the Company;
"China" or the "PRC"	the People's Republic of China, for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan;
"Company"	Tianli International Holdings Limited (天立國際控股有限公司), a company incorporated in the Cayman Islands with limited liability on 24 January 2017, the Shares of which are listed on the Main Board of The Hong Kong Stock Exchange Limited (Stock Code: 1773);
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules;

"Director(s)"	the director(s) of the Company;
"EGM"	the extraordinary general meeting of the Company to be convened on Friday, 27 September 2024 for the Independent Shareholders to consider and, if thought fit, approve (i) the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps, and (ii) the Proposed Amendments to the Existing M&A and the adoption of the New M&A;
"Existing M&A"	the second amended and restated memorandum and articles of association of the Company currently in force;
"Group"	the Company, its subsidiaries and entities under the Company's control through contractual arrangements in PRC;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Independent Board Committee"	the independent board committee of the Company, comprising Mr. Liu Kai Yu Kenneth, Mr. Yang Dong and Mr. Cheng Yiqun, all being independent non-executive Directors, established to consider the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps, and to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the ordinary resolution regarding the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps;

"Independent Financial Adviser" or "Rainbow Capital"	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps;
"Independent Shareholder(s)"	Shareholders who will not be required under the Listing Rules to abstain from voting at the EGM;
"Latest Practicable Date"	3 September 2024;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
"Nanyuan Construction"	Sichuan Nanyuan Construction Co., Ltd. (四川南苑建設有限公司) (formerly known as Luzhou Nanyuan Construction Engineering Co., Ltd. (瀘州市南苑建築工程有限公司)), a limited liability company established in the PRC on 30 June 2000 and is wholly owned by Tianli Holding as at the Latest Practicable Date;
"New M&A"	the third amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments;
"New School Construction Framework Agreement"	the agreement entered into between the Company and Nanyuan Construction on 16 April 2019 in relation to the provision of construction-related services by Nanyuan Construction to Tianli Education and its subsidiaries and schools;
"Pre-IPO Restricted Share Award Scheme"	the pre-IPO restricted share award scheme for the award of Shares to eligible participants, adopted by the Company on 26 January 2018;

"Proposed Amendments"	the proposed amendments to the second amended and restated memorandum and articles of association of the Company currently in force as set out in Appendix II to this circular;
"RMB"	Renminbi yuan, the lawful currency of the PRC;
"Share(s)"	ordinary share(s) in the capital of the Company with a 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;
"Shareholder(s)"	holder(s) of the Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary"	has the meaning ascribed to it under the Listing Rules;
"Tianli Education"	Shenzhou Tianli Education Investment Co., Ltd. (神州天立教育投資有限責任公司) (formerly known as Sichuan Shenzhou Tianli Education Investment Co., Ltd. (四川神州天立教育投資有限公司)), a limited liability company established in the PRC on 19 April 2013 and is the principal operating subsidiary of the Group. As at the Latest Practicable Date, it is wholly owned by the Company;
"Tianli Holding"	Shenzhou Tianli Holdings Group Limited (神州天立控股集團有限公司) (formerly known as Shenzhou Tianli Investment Group Limited (神州天立投資集團有限公司)), a limited liability company established in the PRC on 13 April 2006 and is indirectly owned as to approximately 75.80% by Mr. Luo Shi as at the Latest Practicable Date; and
"%"	per cent.

天立国际控股有限公司
Tianli International Holdings Limited

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

Executive Directors:
Mr. Luo Shi *(Chairman)*
Mr. Wang Rui

Non-executive Directors:
Mr. Zhang Wenzao
Mr. Pan Ping

Independent Non-Executive Directors:
Mr. Liu Kai Yu Kenneth
Mr. Yang Dong
Mr. Cheng Yiqun

Registered office:
89 Nexus Way, Camana Bay
Grand Cayman KY1-9009
Cayman Islands

Principal place of business in Hong Kong:
40th Floor
Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

6 September 2024

To the Shareholders

Dear Sir or Madam,

(1) CONTINUING CONNECTED TRANSACTIONS 2024 SCHOOL CONSTRUCTION FRAMEWORK AGREEMENT AND 2024 SCHOOL CONSTRUCTION SUPPLEMENTAL FRAMEWORK AGREEMENT;
(2) PROPOSED AMENDMENTS TO THE EXISTING M&A AND PROPOSED ADOPTION OF THE NEW M&A;
AND
(3) NOTICE OF THE EGM

(1) CONTINUING CONNECTED TRANSACTIONS – 2024 SCHOOL CONSTRUCTION FRAMEWORK AGREEMENT AND 2024 SCHOOL CONSTRUCTION SUPPLEMENTAL FRAMEWORK AGREEMENT

A. Background

References are made to: (i) the announcement of the Company dated 9 September 2021 and the circular of the Company dated 20 September 2021 in relation to the entering into of the 2021 School Construction Framework Agreement between Tianli Education and Nanyuan Construction, pursuant to which Nanyuan Construction shall provide construction-related services to Tianli Education and its subsidiaries and schools; and (ii) the announcements of the Company dated 17 July 2024 and 16 August 2024 in relation to the entering into of the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement, respectively.

As the 2021 School Construction Framework Agreement is going to expire on 31 August 2024, and in light of the business needs and benefits of continuing the existing transactions with Nanyuan Construction, the Board proposes to seek the approval of the Independent Shareholders for entering into the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps.

The principal terms of the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement are set out below:

B. 2024 School Construction Framework Agreement and 2024 School Construction Supplemental Framework Agreement

Date

17 July 2024 and 16 August 2024

Parties

(1) Tianli Education; and

(2) Nanyuan Construction.

Subject matter

Pursuant to the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, Nanyuan Construction or its subsidiaries shall provide construction-related services, including but not limited to planning and design services, inspection, acceptance and handover services, defect repairs and maintenance services, upgrade and reform services etc., in respect of school construction, expansion and alteration projects of Tianli Education or its subsidiaries or schools. The actual scope of services shall be determined in the specific contracts to be entered into between Nanyuan Construction or its subsidiaries and Tianli Education or its subsidiaries or schools. The arrangement between Tianli Education and Nanyuan Construction under the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement is non-exclusive.

Term

The 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement will be valid for a term of three years from 1 September 2024 to 31 August 2027.

Conditions precedent

The effectiveness of the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement is subject to the Independent Shareholders' approval in accordance with the Listing Rules.

Pricing policies

Under the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, service fees to be charged by Nanyuan Construction or its subsidiaries will be the actual costs plus a premium in the range of 9% to 11% of the actual costs, depending on the prevailing market circumstances. The actual costs include all costs incurred in relation to the construction of the project (such as labour, materials, equipment, and project management and planning) and value-added tax and additional taxes payable by Nanyuan Construction or its subsidiaries.

The Board has considered the market range of premium which is based on, among other things, applicable regulations and guidance on transfer pricing, as well as the Selected Market Comparables (as defined below). The Company identified 6 comparable companies (the "**Selected Market Comparables**") which (i) are principally engaged in the provision of construction services as a main or general contractor in the PRC, and (ii) have their shares listed and traded on the Main Board of the Stock Exchange or the Shanghai Stock Exchange, which were also identified by the Independent Financial Adviser and are consistent with the research and analysis carried out by the Independent Financial Adviser.

The Selected Market Comparables are set out as follows:

Company name	Listed on	Principal business activities	Premium *(Note)*
Baoye Group Company Limited	Main Board of the Stock Exchange (Stock code: 2355)	Provision of construction service	9.1%
Chanhigh Holdings Limited	Main Board of the Stock Exchange (Stock code: 2017)	Building works	8.1%
Zhongtian Construction Hunan Group Limited	Main Board of the Stock Exchange (Stock code: 2433)	Construction contracting	12.5%
Metallurgical Corporation of China Ltd.	Shanghai Stock Exchange (Stock code: 601618)	Building construction	10.4%
Shanghai Construction Group Co., Ltd.	Shanghai Stock Exchange (Stock code: 600170)	Building construction	9.4%
Shaanxi Construction Engineering Group Corporation Limited	Shanghai Stock Exchange (Stock code: 600248)	Construction engineering	11.5%

Note: The premium is calculated as the gross profit divided by the costs of sales based on the respective latest published annual report of the Selected Market Comparables.

The premium charged by the Selected Market Comparables ranged from approximately 8.1% to 12.5%, with the average and median premiums being approximately 10.2% and 9.9%, respectively. Hence, the Board is of the view that the abovementioned premium percentage range under the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement is within such market range and is commensurate with both the average and median premiums charged by the Selected Market Comparables.

Having reviewed the 2024 School Construction Framework Agreement, the 2024 School Construction Supplemental Framework Agreement and other relevant documents, and based on the Company's confirmation on the method of pricing, the PRC legal advisor of the Company was of the view that the pricing of the transactions contemplated under the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement has complied with the applicable PRC regulations and guidance on transfer pricing transactions, including Enterprise Income Tax Law (2018 Amendment) (《企業所得税法(2018修正)》), Law of the PRC on the Administration of Tax Collection (2015 Amendment) (《中華人民共和國税收徵收管理法(2015修正)》), Special Tax Adjustment Implementation Measures (Trial) (《特別納税調整實施辦法(試行)》), and Special Taxation Survey Adjustment and Mutual Consultation Procedures Management Measures (《特別納税調查調整及相互協商程序管理辦法》).

Historical annual caps and transaction amounts

The table below sets forth the historical annual caps for the three years ending 31 August 2024, and the historical transaction amounts between the Company and Nanyuan Construction under the 2021 School Construction Framework Agreement for the two years ended 31 August 2023 and the ten months ended 30 June 2024:

	For the year ended 31 August 2022 *(RMB'000)*	**For the year ended 31 August 2023** *(RMB'000)*	**For the year ended 31 August 2024** *(RMB'000)*
Annual caps	1,500,000	750,000	600,000

	For the year ended 31 August 2022 *(RMB'000)*	**For the year ended 31 August 2023** *(RMB'000)*	**For the ten months ended 30 June 2024** *(RMB'000)*
Historical transaction amounts	618,468	84,861	190,280

The respective annual caps for the three years ended 31 August 2024 had not been exceeded.

The utilisation rates of the annual caps for the two years ended 31 August 2023 and the year ending 31 August 2024 under the 2021 School Construction Framework Agreement were relatively low, which was primarily attributable to the fact that when determining the proposed annual caps under the 2021 School Construction Framework Agreement, the Group originally planned to open approximately five to ten schools in each of the three years from September 2021 to August 2024. However, in 2021, the State Council of the PRC revised the "Regulations on the Implementation of the Non-state Education Promotion Law of the PRC" (《中華人民共和國民辦教育促進法實施條例》) which required that (a) social organisations and individuals are prohibited from controlling non-state schools that provide compulsory education or non-profit non-state schools that provide pre-school education through mergers and acquisitions, control by agreement or any other method; and (b) non-state schools providing compulsory education are prohibited from conducting transactions with interested parties. Accordingly, the Group has adjusted its business strategies and transformed to focus on the development of high schools and the provision of management services to entrusted schools. As such, the Group's demand for the construction of new schools has decreased significantly during the two years ended 31 August 2023 and the year ending 31 August 2024, resulting in fewer-than-expected transactions between the Company and Nanyuan Construction under the 2021 School Construction Framework Agreement.

Annual Caps for the three years ending 31 August 2027

The table below sets out the Annual Caps under the 2024 School Construction Framework Agreement for the three financial years ending 31 August 2027 (as updated by the 2024 School Construction Supplemental Framework Agreement):

	For the year ending 31 August 2025 *(RMB'000)*	**For the year ending 31 August 2026** *(RMB'000)*	**For the year ending 31 August 2027** *(RMB'000)*
Annual caps	310,000	210,000	170,000

Basis of Determination of the Annual Caps

The abovementioned Annual Caps were determined primarily based on arm's length negotiations between Tianli Education and Nanyuan Construction with reference to, among other factors:

(i) the historical service fees in respect of the services provided by Nanyuan Construction for each of the two financial years ended 31 August 2023 and the ten months ended 30 June 2024 as set out above. It is contemplated that the Group will continue to engage Nanyuan Construction or its subsidiaries to construct schools and conduct improvement and expansion work in the next few years based on the robust expansion plan of the Group as detailed below. The Group expects to open approximately one school (which will be invested and constructed by the Group) for the year ending 31 August 2025;

(ii) the average historical actual costs of construction for each school, the characters of the schools to be built including but not limited to area, capacity and function of the campus, and the local economic conditions; and

(iii) the expected service fees for construction work to be provided by Nanyuan Construction or its subsidiaries for the schools of the Group under development with anticipated inflation and increase in development costs.

Based on the current expansion plan of the Company, the following table sets out (i) the school projects in respect of which the Group plans to engage Nanyuan Construction or its subsidiaries for the provision of construction services in the next three years; and (ii) the construction service fees estimated to be payable to Nanyuan Construction or its subsidiaries for each of the three years ending 31 August 2027, respectively, for the services provided in relation to such school projects:

	Estimated service fees *(RMB'000)*		
School projects	**For the year ending 31 August 2025**	**For the year ending 31 August 2026**	**For the year ending 31 August 2027**
Schools in operation			
Expansion work of 6 schools	50,000	160,000	110,000
Maintenance and renovation projects of schools	40,000	50,000	60,000
Schools under planning			
Construction of one new school (invested and constructed by the Group)	220,000	–	–
Total	**310,000**	**210,000**	**170,000**

The abovementioned timeframe is based on the Company's current plan and estimation and may be subject to change depending on the actual circumstances.

Shareholders and potential investors should note that the Annual Caps should not be construed as an assurance or forecast by the Company of the future revenues of the Group.

Reasons for and Benefits of the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement

Taking into account (i) Nanyuan Construction's experience and reputation in property development and construction; (ii) Nanyuan Construction's track record in providing construction services to our schools, particularly its reliability in delivering completed properties in a timely manner and its ability to select appropriate sub-contractors and manage them effectively; (iii) Nanyuan Construction's in-depth understanding of school construction, which the Board considers to be relatively more customised than the construction of typical residential or commercial properties; and (iv) our Group's needs as a school operator, the Board is of the view that engaging Nanyuan Construction and entering into the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement instead of engaging other independent contractors is more reliable and is of the best interest of the Group and its Shareholders.

In view of the above, the Directors (including members of the Independent Board Committee whose views are set out in the section headed "Letter from the Independent Board Committee" in this circular, after considering the advice from the Independent Financial Adviser, and excluding Mr. Luo Shi who has a material interest in the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and the transactions contemplated thereunder) consider that the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement were negotiated on an arm's length basis based on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and the Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Luo Shi, an executive Director, has a material interest in the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and the transactions contemplated thereunder, and has abstained from voting on the relevant Board resolutions accordingly. Save as disclosed, none of the Directors has or is considered to have any material interest in the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and the transactions contemplated thereunder and, hence, none of the other Directors is required to abstain from voting on the relevant Board resolutions.

C. Internal Control Measures

The Group has implemented adequate internal control measures for monitoring all of its continuing connected transactions, including (without limitation) the regular reporting of transaction volume to the Group's finance department and logistics management department for monitoring the annual caps of the relevant transactions, where various departments including the logistics management department, the legal department and the finance department of the Group will be responsible for the implementation, monitoring and review of such measures. Before entering into a contract with Nanyuan Construction or its subsidiaries, such contract will be reviewed and approved by the department heads of the logistics management department, the legal department, the finance department and the chief executive officer, respectively. The service fees and premium of each contract with Nanyuan Construction or its subsidiaries will be reviewed by the Group's finance department, in order to ensure that (i) the service fees charged by Nanyuan Construction or its subsidiaries are no less favourable than those fee rates offered by independent third parties to the Group (i.e. Nanyuan Construction or its subsidiaries would be the most suitable service provider based on the merits and competitiveness in terms of pricing); and (ii) the premium charged by Nanyuan Construction or its subsidiaries is within 9% to 11% as stated under the 2024 School Construction Framework Agreement.

In addition, the Company's external auditors and independent non-executive Directors will conduct annual review of the transactions contemplated under the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the relevant agreements and the applicable pricing policies, on normal commercial terms, and in the interest of the Company and its Shareholders as a whole. The logistics management department of the Group is responsible for tallying up and reviewing the amounts of the transactions with Nanyuan Construction and its subsidiaries on a regular basis in order to monitor and ensure that the Annual Caps will not be exceeded. In particular, the logistics management department of the Group holds monthly meetings with Nanyuan Construction to discuss the output value of each project in detail, and track the data of variable costs and transaction amounts of such projects. The Company evaluates the utilization of the Annual Caps at least once every six months to arrive at a reasonable estimation of the total annual transaction amount and control the same to fall within the relevant Annual Cap.

The Group will continue to adopt certain measures to protect the interests of the Independent Shareholders. Such measures include the adoption of an independent mechanism to govern and monitor the selection process for the Company's potential bidders, pursuant to which an internal tender review committee comprising members appointed by (and held accountable to) the independent non-executive Directors is established for reviewing the terms and conditions of tenders, ensuring the compliance with the relevant laws and regulations and screening out unsuitable tenders. The Company will also conduct sampling checks and require Nanyuan Construction to provide supporting/underlying documents (including the relevant receipts and/or other written records) in respect of at least 70% of the total actual costs incurred by Nanyuan Construction and/or its subsidiaries under the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, in order to ensure that the amounts of actual costs used to calculate the services fees to be charged by Nanyuan Construction or its subsidiaries are correct and accurate.

Pursuant to the Group's tender policy, all potential bidders for the Group's construction works are subject to a standard and systematic tender review procedure maintained by the Group, which applies to tenders submitted by both connected persons and independent third parties. The standard and systematic tender review procedure generally involves (i) receiving potential bidders' tender documents; (ii) initial review of the tender documents; and (iii) assessment of the potential bidders' credentials. Having considered factors including the technical requirements of the concerned construction work, the potential bidders' qualification and experience, the expected completion time of the construction projects, the Group will then shortlist three potential candidates. Out of the three potential candidates, the Group will generally select the bidder who offered the lowest bidding price.

D. Information of the Parties

The Group

Established in 2002, the Group is a leading comprehensive education service operator in the western region of the PRC. We provide customers with comprehensive education management and diversified services. Our business spans across 36 cities in Inner Mongolia, Shandong, Henan, Guizhou, Jiangxi, Zhejiang, Yunnan, Gansu, Anhui, Guangxi, Guangdong, Shaanxi, Shanghai, Chongqing and Hubei.

Tianli Education

Tianli Education is a limited liability company established in the PRC on 19 April 2013. It is the principal operating subsidiary of the Group. As at the Latest Practicable Date, Tianli Education is wholly owned by the Company.

Nanyuan Construction

Nanyuan Construction is a limited liability company established in the PRC on 30 June 2000 and is principally engaged in the construction of residential projects and school complexes in the PRC.

Nanyuan Construction has completed 27 school construction projects for the Group since 2015, all of which were completed in a timely manner in accordance with the relevant contracts. There has not been any material delay in the provision of construction services by Nanyuan Construction to the Group. The key school construction projects completed by Nanyuan Construction for the Group include Chengdu Longquanyi Tianli School* (成都市龍泉驛區天立學校), Chengdu Pidu Tianli School* (成都市郫都區天立學校), Zhoukou Tianli School* (周口天立學校), Wulian Tianli School* (五蓮天立學校), Yichun Tianli School* (宜春天立學校), Zunyi Xinpu New District Tianli School* (遵義市新蒲新區天立學校) and Baoshan Tianli School* (保山市天立學校), etc.

As at the Latest Practicable Date, Nanyuan Construction is wholly owned by Tianli Holding, which in turn is indirectly owned as to approximately 75.80% by Mr. Luo Shi. There is no other ultimate beneficial natural person owner who holds not less than 30% of equity interest in Tianli Holding.

E. Listing Rules Implications

As at the Latest Practicable Date, 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, Nanyuan Construction is a connected person of the Company. Accordingly, the 2024 School Construction Framework Agreement/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.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Annual Caps exceed 5%, the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps are subject to the requirements of reporting, annual review, announcement, circular and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

The nature of the contracts to be entered into with Nanyuan Construction or its subsidiaries for each school construction project are service contracts, pursuant to which Nanyuan Construction or its subsidiaries will provide project management services to the Group as the general contractor and will subcontract most of the construction works to third party subcontractors. As Nanyuan Construction or its subsidiaries merely provides project management services to the Group and that the pricing of the construction of schools is on cost plus basis, the contracts to be entered into with Nanyuan Construction or its subsidiaries for each school construction project should not be treated as notifiable transactions under Chapter 14 of the Listing Rules.

(2) PROPOSED AMENDMENTS TO THE EXISTING M&A AND PROPOSED ADOPTION OF THE NEW M&A

Reference is made to the announcement of the Company dated 16 August 2024 in relation to the Proposed Amendments to the Existing M&A and proposed adoption of the New M&A.

For the purposes of, among other things, (a) updating and bringing the Existing M&A 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 the

Proposed Amendments to the Existing M&A. The details of the Proposed Amendments are set forth in Appendix II to this circular. In addition, the Board also proposed to adopt the New M&A incorporating and consolidating all the Proposed Amendments, in substitution for, and to the exclusion of, the Existing M&A.

The Board is of the view that the Proposed Amendments to the Existing M&A and the proposed adoption of the New M&A are in the interests of the Company and the Shareholders as a whole. The New M&A (incorporating and consolidating all the Proposed Amendments) are subject to the approval of the Shareholders by way of a special resolution at the EGM and will take immediate effect upon the passing of the relevant special resolution at the EGM.

The Chinese version of the Existing M&A and the New M&A is an unofficial translation of the English version. In the event of any inconsistency, the English version shall prevail.

(3) THE EGM

The Company will convene the EGM at Conference Room 4, 3rd Floor, JW Marriott Hotel, 6005 Shennan Boulevard, Futian District, Shenzhen, Guangdong Province, China on Friday, 27 September 2024 at 10 a.m. for the Independent Shareholders to consider and, if thought fit, approve (i) the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps, and (ii) the Proposed Amendments to the Existing M&A and the adoption of the New M&A. The notice of the EGM is set out on pages 53 to 55 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

The Independent Board Committee, comprising Mr. Liu Kai Yu Kenneth, Mr. Yang Dong and Mr. Cheng Yiqun, all being independent non-executive Directors, has been established to consider the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps and to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the ordinary resolution regarding the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps.

Rainbow Capital has been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps.

Any Shareholder who has a material interest in the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement shall abstain from voting on the resolution in relation thereto to be proposed at the EGM. As at the Latest Practicable Date, Mr. Luo Shi is interested in 932,720,569 Shares (representing approximately 44.09% of the issued Shares), of which: (i) Mr. Luo Shi has also been granted 30,000,000 share options under the Share Option Scheme which entitle him to subscribe for 30,000,000 Shares; (ii) 894,242,316 Shares were held by Sky Elite Limited, which is wholly owned by Mr. Luo Shi as at the Latest Practicable Date; (iii) Mr. Luo Shi has been granted 6,521,733 Shares under the Pre-IPO Restricted Share Award Scheme, all of which have been vested as at the Latest Practicable Date; and (iv) Ms. Tu Mengxuan, the spouse of Mr. Luo Shi, has been granted 1,956,520 Shares under the Pre-IPO Restricted Share Award Scheme, all of which have been vested as at the Latest Practicable Date. Mr. Luo Shi is a controlling shareholder of the Company, and has a material interest in the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement. As such, Mr. Luo Shi and his associates shall abstain from voting on the ordinary resolution approving the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps at the EGM.

Save as disclosed above and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholder has any material interests in the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and no other Shareholder is required to abstain from voting at the EGM on the ordinary resolution approving the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the special resolution approving the Proposed Amendments and the adoption of the New M&A.

Pursuant to the Listing Rules, the votes of the Independent Shareholders on: (i) the proposed ordinary resolution approving the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps; and (ii) the proposed special resolution approving the Proposed Amendments and the adoption of the New M&A, will be taken by way of poll at the EGM and an announcement on the poll results will be made by the Company after the EGM.

(4) RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 19 to 20 of this circular containing the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps; (ii) the letter from the Independent Financial Adviser set out on pages 21 to 37 of this circular containing the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps, and the principal factors and reasons considered by the Independent Financial Adviser in arriving at such advice; and (iii) additional information set out in Appendix I to this circular.

Mr. Luo Shi, an executive Director, has a material interest in the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and the transactions contemplated thereunder, and has abstained from voting on the relevant Board resolutions accordingly. Save as disclosed, none of the Directors has or is considered to have any material interest in the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and the transactions contemplated thereunder and, hence, none of the other Directors is required to abstain from voting on the relevant Board resolutions.

The Directors (including members of the Independent Board Committee whose views are set out in the section headed "Letter from the Independent Board Committee" in this circular, after considering the advice from the Independent Financial Adviser, and excluding Mr. Luo Shi who has a material interest in the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and the transactions contemplated thereunder) consider that the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement were negotiated on an arm's length basis based on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and the Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps at the EGM.

Accordingly, the Board (including the independent non-executive Directors) also recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps at the EGM.

The Board (including the independent non-executive Directors) considers that the special resolution approving the Proposed Amendments and the adoption of the New M&A to be proposed at the EGM is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of such special resolution at the EGM.

Yours faithfully,
For and on behalf of the Board
Tianli International Holdings Limited
Luo Shi
Chairman, Executive Director and Chief Executive Officer

* *For identification purpose only*

天立国际控股有限公司
Tianli International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1773)

6 September 2024

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS
2024 SCHOOL CONSTRUCTION FRAMEWORK AGREEMENT AND 2024 SCHOOL CONSTRUCTION SUPPLEMENTAL FRAMEWORK AGREEMENT

We refer to the circular of the Company dated 6 September 2024 (the "**Circular**") of which this letter forms part. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Rainbow Capital has been appointed to advise the Independent Board Committee and Independent Shareholders in respect of the abovementioned matters.

We wish to draw your attention to the letter from the Board as set out on pages 5 to 18 of the Circular and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 21 to 37 of the Circular. Your attention is also drawn to the additional information set out in Appendix I to the Circular.

Having considered the terms of the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement and the advice given by Rainbow Capital in relation thereto, we are of the opinion that the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps are fair and reasonable, on normal commercial terms and the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement are entered into in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the entering into of the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement, the transactions contemplated thereunder and the Annual Caps at the EGM.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. YANG Dong	**Mr. LIU Kai Yu Kenneth**	**Mr. CHENG Yiqun**

Independent non-executive Directors

The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular.

Rainbow Capital (HK) Limited

6 September 2024

To the Independent Board Committee and the Independent Shareholders

Tianli International Holdings Limited
40th Floor
Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION
2024 SCHOOL CONSTRUCTION FRAMEWORK AGREEMENT
AND
2024 SCHOOL CONSTRUCTION SUPPLEMENTAL FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) and the transactions contemplated thereunder (the "**Transactions**"), details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 6 September 2024 (the "**Circular**"), of which this letter forms a part of. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 9 September 2021, the Company and Nanyuan Construction entered into the 2021 School Construction Framework Agreement, pursuant to which Nanyuan Construction shall provide construction-related services to Tianli Education and its subsidiaries and schools for a term of three years from 1 September 2021 to 31 August 2024. With a view to continuing the transactions thereunder, on 17 July 2024, the Board has resolved to renew the 2021 School Construction Framework Agreement and the Company has entered into the 2024 School Construction Framework Agreement with Nanyuan Construction for a term of three years from 1 September 2024 to 31 August 2027. On 16 August 2024, the Company and Nanyuan Construction entered into the 2024 School Construction Supplemental Framework Agreement to revise the proposed annual caps under the 2024 School Construction Framework Agreement.

As at the Latest Practicable Date, 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, Nanyuan Construction is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the 2024 School Construction Framework Agreement (as supplemented by 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.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Annual Caps exceed 5%, the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), the transactions contemplated thereunder and the Annual Caps are subject to the requirements of reporting, annual review, announcement, circular and the Independent Shareholders' approval under Chapter 14A of the Listing Rules.

In view of Mr. Luo Shi's interests in the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), Mr. Luo Shi and his associates shall abstain from voting on the ordinary resolution to be proposed at the EGM to approve the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) and the transactions contemplated thereunder (including the Annual Caps). Save as disclosed herein, none of the other Shareholders shall abstain from voting on the resolutions in relation to the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) and the transactions contemplated thereunder (including the Annual Caps) at the EGM.

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Mr. Liu Kai Yu Kenneth, Mr. Yang Dong and Mr. Cheng Yiqun, has been formed to advise the Independent Shareholders on (i) whether the entering into the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) is conducted in the ordinary and usual course of the Group; and (ii) whether the terms of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) (including the Annual Caps) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and as to voting. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group or Nanyuan Construction that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group or Nanyuan Construction and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement). Accordingly, we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) (including the Annual Caps).

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available and corroborated and substantiated any public information referred to in this letter to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the terms of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) (including the Annual Caps), we have taken into account the principal factors and reasons set out below:

1. Information of the Group and Nanyuan Construction

(i) The Group

Established in 2002, the Group is a leading comprehensive education service provider in Western region of the PRC with principal business of providing comprehensive education management and diversified services.

With a strong presence in Sichuan province where the Group is based in, its school spans across 36 cities in Inner Mongolia, Shandong, Henan, Guizhou, Jiangxi, Zhejiang, Yunnan, Gansu, Anhui, Guangxi, Guangdong, Shaanxi, Shanghai, Chongqing and Hubei. As at 29 February 2024, the Group principally provided students with comprehensive education services in 50 schools.

As disclosed in the interim report of the Group (the "**2024 Interim Report**") for the six months ended 29 February 2024 ("**6M2024**"), the Group's revenue has increased by approximately 73.8% from approximately RMB946.6 million for the six months ended 28 February 2023 ("**6M2023**") to approximately RMB1,645.4 million for 6M2024, primarily attributable to (a) the increase in revenue from comprehensive educational services by approximately 64.4% mainly due to the increase in high school students enrollment and the end of the pandemic which led to a significant growth in the study tour business during the period; and (b) the increase in revenue from sales of products by approximately 188.7% mainly due to the increase in the supply and sales of agricultural and sideline products through the integration of channel resources and logistics system. In line with the increase in revenue, the Group's profit attributable to the Shareholders has increased by approximately 67.8% from approximately RMB172.2 million for 6M2023 to approximately RMB288.9 million for 6M2024. Looking forward, the Group will adhere to its strategic expansion nationwide through expansion of optimisation with a focus of for-profit high schools.

(ii) Nanyuan Construction

Nanyuan Construction is a limited liability company established in the PRC on 30 June 2000 and is principally engaged in the construction of residential projects and school complexes in the PRC.

Nanyuan Construction has completed 27 school construction projects for the Group since 2015, all of which were completed in a timely manner in accordance with the relevant contracts. There has not been any material delay in the provision of construction services by Nanyuan Construction to the Group. The key school construction projects completed by Nanyuan Construction for the Group include Chengdu Longquanyi District Tianli School* (成都市龍泉驛區天立學校), Chengdu Pidu District Tianli School* (成都市郫都區天立學校), Zhoukou Tianli School* (周口天立學校), Wulian Tianli School* (五蓮天立學校), Yichun Tianli School* (宜春天立學校), Zunyi Xinpu New District Tianli School* (遵義市新蒲新區天立學校) and Baoshan Tianli School* (保山市天立學校), etc.

As at the Latest Practicable Date, Nanyuan Construction is wholly owned by Tianli Holding, which in turn is indirectly owned as to approximately 75.80% by Mr. Luo Shi. There is no other ultimate beneficial natural person owner who holds not less than 30% of equity interest in Tianli Holding.

2. Reasons for and benefits of the entering into of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement)

On 9 September 2021, the Company and Nanyuan Construction entered into the 2021 School Construction Framework Agreement, pursuant to which Nanyuan Construction shall provide construction-related services to Tianli Education and its subsidiaries and schools for a term of three years from 1 September 2021 to 31 August 2024.

As disclosed in the Letter from the Board, taking into account (i) Nanyuan Construction's experience and reputation in property development and construction; (ii) Nanyuan Construction's track record in providing construction services to the Group's schools, particularly its reliability in delivering completed properties in a timely manner and its ability to select appropriate sub-contractors and manage them effectively; (iii) Nanyuan Construction's in depth understanding of school construction, which the Board considers to be relatively more customised than the construction of typical residential or commercial properties; and (iv) the Group's needs as a school operator, the Board is of the view that engaging Nanyuan Construction instead of engaging other independent contractors is more reliable and is of the best interests of the Group and its Shareholders.

As the 2021 School Construction Framework Agreement will expire on 31 August 2024, with a view to continuing the construction services to be provided by Nanyuan Construction, the Board has resolved on 17 July 2024 to enter into the 2024 School Construction Framework Agreement with Nanyuan Construction to renew the term for a term of three years ending 31 August 2027. On 16 August 2024, the Company and Nanyuan Construction entered into the 2024 School Construction Supplemental Framework Agreement to revise the proposed annual caps under the 2024 School Construction Framework Agreement. Given the background of Nanyuan Construction and the fact the price and quality of deliverables of Nanyuan Construction will be under constant review, and the Group will consider to replace Nanyuan Construction if it is able to source a supplier who is able to deliver better quality construction at a lower price, we concur with the Directors that the continuous provision of construction services by Nanyuan Construction to the Group would enable the Group to facilitate the construction and development of schools, thereby further enhance the Group's capacity in providing comprehensive education services.

Based on the above, we concur with the Directors that the entering into of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement

Details of the terms of the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement are set out in the Letter from the Board, which are summarised as follows:

Date	:	17 July 2024 and 16 August 2024
Parties	:	(i) Tianli Education; and (ii) Nanyuan Construction
Subject matter	:	Pursuant to the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), Nanyuan Construction or its subsidiaries shall provide construction-related services, including but not limited to planning and design services, inspection, acceptance and handover services, defect repairs and maintenance services, upgrade and reform services etc., in respect of school construction, expansion and alteration projects of Tianli Education or its subsidiaries or schools. The actual scope of services shall be determined in the specific contracts to be entered into between Nanyuan Construction or its subsidiaries and Tianli Education or its subsidiaries or schools. The arrangement between Tianli Education and Nanyuan Construction under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) is non-exclusive.

Term	:	The 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) will be valid for a term of three years from 1 September 2024 to 31 August 2027.
Conditions precedent	:	The effectiveness of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) is subject to the Independent Shareholders' approval in accordance with the Listing Rules.
Pricing policies	:	Under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), service fees to be charged by Nanyuan Construction or its subsidiaries will be the actual costs plus a premium in the range of 9% to 11% of the actual costs, depending on the prevailing market circumstances. The actual costs include all costs incurred in relation to the construction of the project (such as labour, materials, equipment, and project management and planning) and value-added tax and additional taxes payable by Nanyuan Construction or its subsidiaries. The Board has considered the market range of premium which is based on, among other things, applicable regulations and guidance on transfer pricing, as well as selected market comparables. The Board is of the view that the abovementioned premium percentage range under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) is within such market range.

Having reviewed the 2024 School Construction Framework Agreement, the 2024 School Construction Supplemental Framework Agreement and other relevant documents, and based on the Company's confirmation on the method of pricing, the PRC legal advisor of the Company was of the view that the pricing of the transactions contemplated under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) has complied with the applicable PRC regulations and guidance on transfer pricing transactions, including Enterprise Income Tax Law (2018 Amendment) (《企業所得稅法(2018修正)》), Law of the PRC on the Administration of Tax Collection (2015 Amendment) (《中華人民共和國稅收徵收管理法(2015修正)》), Special Tax Adjustment Implementation Measures (Trial) (《特別納稅調整實施辦法(試行)》), and Special Taxation Survey Adjustment and Mutual Consultation Procedures Management Measures (《特別納稅調查調整及相互協商程序管理辦法》).

We have compared the terms of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) with those of the 2021 School Construction Framework Agreement and noted that except for the term, other terms of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) remain principally the same as those under the 2021 School Construction Framework Agreement, including but not limited to the scope of services and pricing policies.

For the purpose of assessing the fairness and reasonableness of the premium charged by Nanyuan Construction, we have, based on our search on Bloomberg and the website of the Stock Exchange, identified a list of companies (the "**Comparable Companies**") which (i) are principally engaged in the provision of building construction services as a main or general contractor in the PRC; and (ii) have their shares listed and traded in Hong Kong or the PRC. Based on the aforesaid criteria, we have identified 13 Comparable Companies, which represents an exhaustive list. Taking into account that the principal businesses of all the Comparable Companies are similar to the scope of services to be provided by Nanyuan Construction under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) (i.e. the provision of building construction services) in the same business location of Nanyuan Construction (i.e. the PRC) and the range of the premium of the Comparable Companies is not wide, we consider the Comparable Companies (i) are comparable to the scope of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement); and (ii) formed a fair and representative sample.

The following table sets out the details of the Comparable Companies:

Company name (stock code)	**Principal activities**	**Premium** *(Note)*
Baoye Group Company Limited (2355.HK)	Provision of construction service	9.1%
Hebei Construction Group Corporation Limited (1727.HK)	Construction	5.7%
Chanhigh Holdings Limited (2017.HK)	Building works	8.1%
Jujiang Construction Group Company Limited (1459.HK)	Construction engineering contracting	4.3%
Zhongtian Construction Hunan Group Limited (2433.HK)	Construction contracting	12.5%
China Tianbao Group Development Company Limited (1427.HK)	Construction contracting, property development and others	6.3%
China State Construction Engineering Corporation Limited (601668.CH)	Building construction	10.1%
Metallurgical Corporation of China Ltd. (601618.CH)	Building construction	10.4%
Shanghai Construction Group Co., Ltd. (600170.CH)	Building construction	9.4%
Shaanxi Construction Engineering Group Corporation Limited (600248.CH)	Construction engineering	11.5%
China Haisum Engineering Co., Ltd. (002116.CH)	Engineering contracting	16.4%
Long Yuan Construction Group Co., Ltd. (600491.CH)	Construction engineering	19.9%
Weiye Construction Group Co., Ltd. (300621.CH)	Construction engineering	5.3%
	Maximum	**19.9%**
	Minimum	**4.3%**
	Average	**9.9%**
	Median	**9.4%**

Source: Bloomberg and the website of the Stock Exchange

Note: The premium is calculated as the gross profit divided by cost of sales based on the respective latest annual report of the Comparable Companies.

As shown in the table above, the premium of the Comparable Companies ranged from approximately 4.3% to 19.9% with an average and median premium of approximately 9.9% and 9.4%, respectively. The premium charged by Nanyuan Construction (i.e. 9% to 11% of the actual costs) is close to both of the average and median premiums of the Comparable Companies.

Taking into account that (i) the premium charged by Nanyuan Construction is within the range and close to both of the average and median premiums of the Comparable Companies; (ii) the Group is able to replace Nanyuan Construction if it is able to source a supplier who is able to deliver better quality construction at a lower price; (iii) except for the term, other terms of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) remain principally the same as those under the 2021 School Construction Framework Agreement; and (iv) the Group has adopted sufficient and effective internal control measures to regulate the respective individual transactions to be conducted within the framework of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), we consider the terms of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) are on normal commercial terms which are fair and reasonable.

4. Assessment of the Annual Caps

(i) Review of historical figures

Set out below are the historical annual caps and actual transaction amounts of the 2021 School Construction Framework Agreement for the periods indicated:

	For the year ended 31 August 2022 *(RMB'000)*	**For the year ended 31 August 2023** *(RMB'000)*	**For the year ended 31 August 2024** *(RMB'000)*
Existing annual caps	1,500,000	750,000	600,000
Actual transaction amounts	618,468	84,861	190,280 (for the ten months ended 30 June 2024)
Utilisation rate	41.2%	11.3%	31.7%

As shown in the table above, the actual transaction amounts for the construction services provided by Nanyuan Construction to the Group under the 2021 School Construction Framework Agreement amounted to approximately RMB618.5 million, RMB84.9 million and RMB190.3 million for the two years ended 31 August 2023 and the ten months ended 30 June 2024, respectively, representing approximately 41.2%, 11.3% and 31.7% of the maximum annual caps for the three years ended 31 August 2024, respectively. As advised by the management of the Group, such low utilisation rates in the aforesaid periods were primarily attributable to that when determining the proposed annual caps under the 2021 School Construction Framework Agreement, the Group originally planned to open approximately five to ten schools in each of the three years from September 2021 to August 2024. However, in 2021, the State Council of the PRC revised the "Implementation Rules for the Law for Promoting Privation Education" (《中華人民共和國民辦教育促進法實施條例》) which required that (a) social organisations and individuals are prohibited from controlling private schools that provide compulsory education and non-profit private schools that provide pre-school education by means of merger, acquisition or agreement control; and (b) private schools providing compulsory education are prohibited from conducting transactions with the related parties. In view of this, the Group has adjusted its business strategies and transformed to focus on the development of high schools and the provision of management services on entrusted schools. As such, the Group's demand for constructing new schools has decreased significantly during the aforesaid periods.

(ii) Assessment of the Annual Caps

Pursuant to the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), the Annual Caps for the construction services fees payable by the Group for each of the three years ending 31 August 2027 are set out below:

	For the year ending 31 August 2025 *(RMB'000)*	**For the year ending 31 August 2026** *(RMB'000)*	**For the year ending 31 August 2027** *(RMB'000)*
Annual caps	310,000	210,000	170,000

In assessing the reasonableness of the Annual Caps under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), we have discussed with the management of the Group on the basis and assumptions underlying the projections for the construction services to be provided by Nanyuan Construction to the Group. As advised by the management of the Group, in determining the Annual Caps, they have taken into account, among others factors, (a) the historical service fees in respect of the services provided by Nanyuan Construction for each of the two financial years ended 31 August 2023 and the ten months ended 30 June 2024. It is contemplated that the Group will continue to engage Nanyuan Construction or its subsidiaries to construct schools and conduct improvement and expansion work in the next few years. The Group expects to open approximately one school (which will be invested and constructed by the Group) for the year ending 31 August 2025; (b) the average historical actual costs of construction for each school, the characters of the schools to be built including but not limited to area, capacity and function of the campus, and the local economic conditions; and (c) the expected service fees for construction work to be provided by Nanyuan Construction or its subsidiaries for the schools of the Group under development with anticipated inflation and increase in development costs.

We have discussed with the management of the Group on each of the above factors and their potential impacts on the Annual Caps and reviewed the relevant construction plan and calculations. As advised by the management of the Group, the estimated construction services fees payable by the Group are determined based on the construction needs on existing schools in operation and new schools under planning with reference to the historical amounts and expansion plan of the Group. Based on the above basis, the Annual Caps are then derived as the aggregate of (a) the estimated services fees for construction work to be provided by Nanyuan Construction for the expansion and maintenance of the Group's existing schools; and (b) the estimated services fees for construction works to be provided by Nanyuan Construction for the Group's new self-owned school.

We have been provided with the breakdown of the estimated expansion fees for each individual expansion project, the sum of which is the total expansion fees of approximately RMB50.0 million, RMB160.0 million and RMB110.0 million for the three years ending 31 August 2027, respectively. Based on our review, we noted that the breakdown for each project included the estimated construction area, design fees, costs of construction (such as labour, materials, equipment, and project management and planning), infrastructure fees, tax and a premium of approximately 10%. As the expansion fees are projected with reference to the actual costs and a premium of the actual costs, which are consistent with the pricing policies as stipulated under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), we concur with the management of the Group on such basis of the projection. In respect of the estimated maintenance and renovation fees of approximately RMB40.0 million, RMB50.0 million and RMB60.0 million for the three years ending 31 August 2027, respectively, such fees are determined based on the number of schools currently under operation and management by the Group and the historical maintenance costs incurred on the schools. A premium of 10% is taken into account when determining the estimated maintenance and renovation fees. According to the 2024 Interim Report, as at 29 February 2024, the Group principally provided students with comprehensive education services in 50 schools. As (a) a standard school normally needs regular maintenance and repair to ensure the school's grounds, buildings, and all associated equipment are functional and safe; and (b) the maintenance and renovation costs shall increase along with the age of a school, especially for schools that have been put into operation for more than 10 years, we consider the estimated maintenance and renovation fees to be fair and reasonable.

Based on the current expansion plan of the Company, it is expected that one new self-owned school will be constructed in 2025 with construction fees of approximately RMB220.0 million for the year ending 31 August 2025. As discussed in the sub-section headed "1. Information of the Group and Nanyuan Construction – (i) the Group" above, driven by the increase in high school students enrollment and the end of the pandemic which led to a significant growth in the study tour business, the Group has experienced a significant increase in revenue from comprehensive educational services. 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 adhere to its strategic expansion nationwide through expansion of optimisation with a focus of for-profit high schools. Having considered the above, we consider the estimated number of new self-owned school to be constructed by Nanyuan Construction to be justifiable. Upon further request, we have been provided with and reviewed the breakdown of the estimated construction fees of a standard high school which included the estimated construction area, number of classes, number of students, floor area per school, design fees, costs of construction (such as labour, materials, equipment, and project management and planning), consultation fees, tax and a premium of approximately 10%. As the construction fees are projected with reference to the actual costs and a premium of the actual costs, which are consistent with the pricing policies as stipulated under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), we concur with the management of the Group on such basis of the projection.

In reviewing the Annual Caps under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), we have also performed independent research on the industry outlook of private education sector in the PRC. According to the Ministry of Education of the PRC, the number of private high schools has increased from 3,216 in 2018 to 4,300 in 2022, representing a compound annual growth rate ("**CAGR**") of approximately 7.5% from 2018 to 2022. In the meantime, the number of enrolments in private high schools has increased at a CAGR of approximately 11.0% from 3,282,687 in 2018 to 4,977,894 in 2022. In December 2022, the State Council of the PRC issued the "Outline of Strategic Planning for Boosting Domestic Demand (2022-2035)" (擴大內需戰略規劃綱要(2022-2035年)), which stressed the importance of strengthening education infrastructure, building national education system, and improving education quality. Having considered the growing demand on the private high school education and the relevant favourable government policies, we consider the Group's expected future business growth and its corresponding requirements on the construction services to be reasonable. Generally speaking, in our opinion, it is in the interests of the Group and the Independent Shareholders to determine the Annual Caps in a way that can accommodate the potential growth of the Group's business. Provided that the transactions contemplated under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) are subject to annual review by the independent non-executive Directors and auditors of the Company (as discussed below) as required under the Listing Rules, the Group would have desirable flexibility in conducting its businesses if the Annual Caps are tailored to the potential construction and expansion needs to support its future business growth.

Based on the above factors, we are of the view that the Annual Caps under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) are fair and reasonable.

5. Internal control measures of the Group

In order to protect the interests of the Shareholders, the Group has implemented adequate internal control measures to regulate the respective individual transactions to be conducted within the framework of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), including (without limitation) the regular reporting of transaction volume to the Group's finance department and the logistics management department for monitoring the annual caps of the relevant transactions, where various departments including the construction department, the legal department and the finance department of the Group will be responsible for the implementation, monitoring and review of such measures. Before entering into a contract with Nanyuan Construction or its subsidiaries, such contract will be reviewed and approved by the department heads of the logistics management department, the legal department, the finance department and the chief executive officer, respectively. The service fees and premium of each contract with Nanyuan Construction or its subsidiaries will be reviewed by the Group's finance department, in order to ensure that (i) the service fees charged by Nanyuan Construction or its subsidiaries are no less favourable than those fee rates offered by independent third parties to the Group (i.e. Nanyuan Construction or its subsidiaries would be the most suitable service provider based on the merits and competitiveness in terms of pricing); and (ii) the premium charged by Nanyuan Construction or its subsidiaries is within 9% to 11% as stated under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement).

In addition, the Company's external auditors and independent non-executive Directors will conduct annual review of the transactions contemplated under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the relevant agreements and the applicable pricing policies, on normal commercial terms, and in the interest of the Company and its Shareholders as a whole. The logistics management department of the Group is responsible for tallying up and reviewing the amounts of the transactions with Nanyuan Construction and its subsidiaries on a regular basis in order to monitor and ensure that the Annual Caps will not be exceeded. In particular, the logistics management department of the Group holds monthly meetings with Nanyuan Construction to discuss the output value of each project in detail, and track the data of variable costs and transaction amounts of such projects. The Company evaluates the utilization of the Annual Caps at least once every six months to arrive at a reasonable estimation of the total annual transaction amount and control the same to fall within the relevant Annual Cap.

The Group will continue to adopt certain measures to protect the interests of the Independent Shareholders. Such measures include the adoption of an independent mechanism to govern and monitor the selection process for the Company's potential bidders, pursuant to which an internal tender review committee comprising members appointed by (and held accountable to) the independent non-executive Directors is established for reviewing the terms and conditions of tenders, ensuring the compliance with the relevant laws and regulations and screening out unsuitable tenders. The Company will also conduct sampling checks and require Nanyuan Construction to provide supporting/underlying documents (including the relevant receipts and/or other written records) in respect of at least 70% of the total actual costs incurred by Nanyuan Construction and/or its subsidiaries under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement), in order to ensure that the amounts of actual costs used to calculate the services fees to be charged by Nanyuan Construction or its subsidiaries are correct and accurate.

Pursuant to the Group's tender policy, all potential bidders for the Group's construction works are subject to a standard and systematic tender review procedure maintained by the Group, which applies to tenders submitted by both connected persons and independent third parties. The standard and systematic tender review procedure generally involves (i) receiving potential bidders' tender documents; (ii) initial review of the tender documents; and (iii) assessment of the potential bidders' credentials. Having considered factors including the technical requirements of the concerned construction work, the potential bidders' qualification and experience, the expected completion time of the construction projects, the Group will then shortlist three potential candidates. Out of the three potential candidates, the Group will generally select the bidder who offered the lowest bidding price.

In assessing whether the above internal control measures are put in place and effectively implemented, we have obtained and reviewed the relevant documentation regarding the approval of the agreements entered between the Group and Nanyuan Construction and noted that the transactions contemplated thereunder were properly authorised and monitored. We have further selected on a random basis and obtained and reviewed 11 samples of school construction services agreements between the Group and Nanyuan Construction entered into from 2021 to 2024 and noted that the premium of each aforementioned sample agreement was within 9% to 11%. As the total population of school construction services agreements between the Group and Nanyuan Construction entered into from 2021 to 2024 is 20 and therefore we have reviewed more than 50% of the total agreements, we consider the sample size is fair and reasonable. In addition, we have obtained and reviewed five sets of tender documents for the construction services entered by the Group during 2021 to 2024, with the winning bidder being Nanyuan Construction. As advised by the management of the Group, there was no tender for the construction services entered by the Group during 2021 to 2024, with the winning bidder being independent third parties. Based on our review of the tender documents, including but not limited to tendering announcements, successful candidates announcements, bid-wining notices and duly signed contracts, we noted that the Group had adhered to the internal procedures on tender process on construction services, and the winning tenders were generally selected based on, among others, the price of the tender being more favourable than the other tenders. Regarding the internal controls on checking the total actual costs incurred by Nanyuan Construction, we have obtained and reviewed six sets of settlement documents for the construction projects between the Group and Nanyuan Construction during 2021 to 2024. Based on our review of the settlement documents, including but not limited to the breakdown of construction costs, bank payment records made by Nanyuan Construction, sub-contracting and purchase agreements entered into between Nanyuan Construction and third party contractors and suppliers, we noted that the Group had adhered to the internal procedures on checking the actual costs incurred by Nanyuan Construction. As such, we are of the view that the above internal control measure adopted by the Group for monitoring the transactions contemplated under the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) have been effectively implemented. Having considered the above, in particular (i) that the above internal control procedures which include price comparison by the Group with those offered by independent suppliers have been effectively implemented; (ii) the ongoing monitoring of the Transactions and the Annual Caps; and (iii) the requirements under the Listing Rules for the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the Transactions and the Annual Caps, we concur with the Directors that appropriate and adequate internal control procedures are in place to ensure that the Transactions will be appropriately monitored and conducted on commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. Reporting requirements and conditions of the Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Transactions are subject to the following annual review requirements:

(i) the independent non-executive Directors must review the Transactions and confirm in the annual report and accounts that the Transactions have been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

(ii) the Company must engage its auditors to report on the Transactions every year. The Company's auditors must provide a letter to the Board (with a copy to be provided to the Stock Exchange at least ten business days before the bulk printing of the Company's annual report) confirming whether anything has come to their attention that causes them to believe that the Transactions:

(a) have not been approved by the Board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group if the Transactions involves the provision of goods or services by the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreements governing the Transactions; and

(d) have exceeded the Annual Caps;

(iii) the Company must allow, and ensure that the counter-parties to the Transactions allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Transactions as set out in paragraph (ii); and

(iv) the Company must promptly notify the Stock Exchange and publish an announcement if the independent non-executive Directors and/or auditors of the Company cannot confirm the matters as required.

In light of the reporting requirements attached to the Transactions, in particular, (i) the restriction of the value of the Transactions by way of the Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the Transactions and the Annual Caps not being exceeded, we are of the view that appropriate measures are in place to monitor the conduct of the Transactions and assist in safeguarding the interests of the Independent Shareholders.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the terms of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) (including the Annual Caps) are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the 2024 School Construction Framework Agreement (as supplemented by the 2024 School Construction Supplemental Framework Agreement) (including the Annual Caps).

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Danny Leung
Managing Director

Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the interests and short positions of the Directors and the 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 Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO), or are required, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules are listed as follows:

Long Position in the Shares

Name	Capacity/Nature of Interest	Number of Shares held/ interested	Approximate percentage of interest
Mr. Luo Shi *(Note 1)*	Beneficial interest	30,000,000	
	Interest of a controlled corporation	894,242,316	
	Interest of spouse	1,956,520	
	Beneficiary of a trust	6,521,733	
		932,720,569	44.09%
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 894,242,316 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. Ms. Tu Mengxuan is the spouse of Mr. Luo Shi. By virtue of the SFO, Mr. Luo Shi is deemed or taken to be interested in the Shares in which Sky Elite Limited and Ms. Tu Mengxuan are interested. Furthermore, Mr. Luo Shi has been granted 6,521,733 Shares under the Pre-IPO Restricted Share Award Scheme, all of which have been vested. Mr. Luo Shi has also been granted 30,000,000 share options under the Share Option Scheme which entitle him to subscribe for 30,000,000 Shares, none of which has been exercised as at the Latest Practicable Date.

(2) Mr. Wang Rui is an executive Director and has been granted 1,956,520 Shares under the Pre-IPO Restricted Share Award Scheme, all of which have been vested. In addition, Mr. Wang Rui has been granted 7,000,000 share options under the Share Option Scheme which entitle him to subscribe for 7,000,000 Shares, none of which has been exercised as at the Latest Practicable Date.

(3) Shang Long Limited, which was owned as to 66.67% by Ms. Wu Caixia, Mr. Pan Ping's spouse, directly held and was interested in 13,043,289 Shares. By virtue of the SFO, Mr. Pan Ping is deemed or taken to be interested in the Shares in which Ms. Wu Caixia is interested.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long Position in the Shares

Name	Capacity/Nature of interest	Number of Shares held/ interested	Approximate percentage of interest
Sky Elite Limited *(Note 1)*	Beneficial interest	894,242,316	42.27%
Ms. Tu Mengxuan *(Note 2)*	Beneficiary of a trust	1,956,520	
	Interest of spouse	930,764,049	
		932,720,569	44.09%
First Beijing Investment Limited	Investment manager	193,891,000	9.16%

Notes:

(1) Mr. Luo Shi holds 100% of the issued share capital of Sky Elite Limited and therefore Mr. Luo Shi is deemed or taken to be interested in the Shares held by Sky Elite Limited under Part XV of the SFO.

(2) Ms. Tu Mengxuan has been granted 1,956,520 Shares under the Pre-IPO Restricted Share Award Scheme, all of which have been vested. Ms. Tu Mengxuan is the spouse of Mr. Luo Shi. Under the SFO, Ms. Tu Mengxuan is deemed to be interested in the same number of Shares in which Mr. Luo Shi is interested.

Save as disclosed above, as at the Latest Practicable Date, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interest are set out in the section "Disclosure of Interests of Directors and Chief Executives" above, had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

5. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which had been, since 31 August 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, save for Mr. Luo Shi's material interest in the 2021 School Construction Framework Agreement, the 2024 School Construction Framework Agreement and the 2024 School Construction Supplemental Framework Agreement, none of the Directors was materially interested, either directly or indirectly, in any contract or arrangement which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading positions of the Group since 31 August 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

8. CONSENT AND QUALIFICATION OF EXPERT

The following is the qualification of the expert who has given opinion or advice for inclusion in this circular:

Name	Qualification
Rainbow Capital (HK) Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Rainbow Capital did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Rainbow Capital did not have any direct or indirect interests in any assets which have been, since 31 August 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to, any member of the Group.

Rainbow Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter of advice or references to its name in the form and context in which they respectively appear.

9. CORPORATE INFORMATION OF THE COMPANY

Registered office	89 Nexus Way, Camana Bay Grand Cayman KY1-9009 Cayman Islands
Headquarter in the PRC	Tower T25 Qingyang Industrial Zone Chengdu Sichuan Province PRC
Principal place of business in Hong Kong	40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong

Principal share registrar and transfer agent	Ogier Global (Cayman) Limited 89 Nexus Way, Camana Bay Grand Cayman KY1-9009 Cayman Islands
Hong Kong share registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17/F, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong

10. DOCUMENT(S) ON DISPLAY

Electronic copies of the following documents are on display and are published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www. https://www.tianlieducation.com/) for a period of 14 days from the date of this circular:

(a) the 2024 School Construction Framework Agreement;

(b) the 2024 School Construction Supplemental Framework Agreement;

(c) the letter from the Board, the text of which is set out on pages 5 to 18 of this circular;

(d) the letter from the Independent Board Committee, the text of which is set out on pages 19 to 20 of this circular;

(e) the letter from Rainbow Capital, the text of which is set out on pages 21 to 37 of this circular; and

(f) the written consent from Rainbow Capital referred to in paragraph 8 of this appendix.

PROPOSED AMENDMENTS TO THE EXISTING M&A

Set out below are the Proposed Amendments:

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
Memorandum of Association		
THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES SECOND AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF TIANLI INTERNATIONAL HOLDINGS LIMITED 天立国际控股有限公司 (As adopted by a special resolution passed by members on 30 December 2022)	THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS **EXEMPTED** COMPANY LIMITED BY SHARES ~~SECOND~~**THIRD** AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF TIANLI INTERNATIONAL HOLDINGS LIMITED 天立国际控股有限公司 (As adopted by a special resolution passed by members on ~~30 December 2022~~**[date] 2024**)	THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS EXEMPTED COMPANY LIMITED BY SHARES THIRD AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF TIANLI INTERNATIONAL HOLDINGS LIMITED 天立国际控股有限公司 (As adopted by a special resolution passed by members on [date] 2024)
2. The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands or at such other place in the Cayman Islands as the Board may from time to time decide.	2. The Registered Office of the Company shall be at the offices of ~~Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands~~**Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands** or at such other place in the Cayman Islands as the Board may from time to time decide.	2. The Registered Office of the Company shall be at the offices of Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands or at such other place in the Cayman Islands as the Board may from time to time decide.
Articles of Association		
THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES SECOND AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF TIANLI INTERNATIONAL HOLDINGS LIMITED 天立国际控股有限公司 (As adopted by a special resolution passed by members on 30 December 2022)	THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS **EXEMPTED** COMPANY LIMITED BY SHARES ~~SECOND~~**THIRD** AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF TIANLI INTERNATIONAL HOLDINGS LIMITED 天立国际控股有限公司 (As adopted by a special resolution passed by members on ~~30 December 2022~~**[date] 2024**)	THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS EXEMPTED COMPANY LIMITED BY SHARES THIRD AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF TIANLI INTERNATIONAL HOLDINGS LIMITED 天立国际控股有限公司 (As adopted by a special resolution passed by members on [date] 2024)

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
3.4 If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated either with the consent in writing of not less than three-fourths of the voting rights of holders of the issued shares of that class or with the sanction of a resolution passed by at least three-fourths of the votes cast by the holders of shares of that class present and voting in person or by proxy or, in the case of corporations, by their duly authorised representatives, at a separate meeting of such holders. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.	3.4 If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated either with the consent in writing of not less than three-fourths of the voting rights of holders of the issued shares of that class or with the sanction of a resolution passed by at least three-fourths of the votes cast by the holders of shares of that class present and voting in person or by proxy or, in the case of corporations, by their duly authorized representatives, at a separate meeting of such holders. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third ~~**in nominal value**~~ of the issued shares <u>**(excluding treasury shares)**</u> of that class. <u>**For the aforesaid purposes, voting rights attaching to treasury shares are excluded.**</u>	3.4 If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated either with the consent in writing of not less than three-fourths of the voting rights of holders of the issued shares of that class or with the sanction of a resolution passed by at least three-fourths of the votes cast by the holders of shares of that class present and voting in person or by proxy or, in the case of corporations, by their duly authorized representatives, at a separate meeting of such holders. To every such separate meeting all the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third of the issued shares (excluding treasury shares) of that class. For the aforesaid purposes, voting rights attaching to treasury shares are excluded.

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
12.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the written requisition of any one or more members (including a recognised clearing house or its nominee(s)) 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, on a one vote per share basis in the share capital of the Company, and the foregoing members shall be able to add resolutions to the meeting agenda. 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 requisitionist(s) 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 requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.	12.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the written requisition of any one or more members (including a recognised clearing house or its nominee(s)) 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 **(voting rights attaching to treasury shares are excluded)** at general meetings of the Company, on a one vote per share basis in the share capital **(excluding treasury shares)** of the Company, and the foregoing members shall be able to add resolutions to the meeting agenda. 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 requisitionist(s) 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 requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.	12.3 The Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the written requisition of any one or more members (including a recognised clearing house or its nominee(s)) 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 (voting rights attaching to treasury shares are excluded) at general meetings of the Company, on a one vote per share basis in the share capital (excluding treasury shares) of the Company, and the foregoing members shall be able to add resolutions to the meeting agenda. 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 requisitionist(s) 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 requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
14.16 If a recognised clearing house (or its nominee(s)) is a member it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member holding the number and class of shares specified in such authorisation, including, the right to speak and vote, and where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.	14.16 If a recognised clearing house (or its nominee(s)) is a member it may authorise such person or persons as it thinks fit to act as its representative(s) **or proxy(ies)** at any general meeting of the Company or at any general meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member holding the number and class of shares specified in such authorisation, including, the right to speak and vote, and where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.	14.16 If a recognised clearing house (or its nominee(s)) is a member it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any general meeting of the Company or at any general meeting of any class of members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence to substantiate that it is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member holding the number and class of shares specified in such authorisation, including, the right to speak and vote, and where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
16.2 The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next annual general meeting of the Company after his appointment and shall then be eligible for re-election.	16.2 The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the ~~**next**~~**first** annual general meeting of the Company after his appointment and shall then be eligible for re-election.	16.2 The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the members in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
28.6 To the extent permitted by and subject to due compliance with these Articles, the Companies Act and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 28.5 shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the Companies Act, a summary financial statement derived from the Company's annual accounts, together with the Directors' report and the Auditors' report on such accounts, which shall be in the form and containing the information required by these Articles, the Companies Act and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director's report and the Auditor's report thereon may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, in addition to the summary financial statement, a complete printed copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon.	28.6 To the extent permitted by and subject to due compliance with these Articles, the Companies Act and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 28.5 shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the Companies Act, a summary financial statement derived from the Company's annual accounts, together with the Directors' report and the Auditors' report on such accounts, which shall be in the form and containing the information required by these Articles, the Companies Act and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director's report and the Auditor's report thereon may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, in addition to the summary financial statement, a complete ~~**printed**~~ copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon.	28.6 To the extent permitted by and subject to due compliance with these Articles, the Companies Act and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 28.5 shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the Companies Act, a summary financial statement derived from the Company's annual accounts, together with the Directors' report and the Auditors' report on such accounts, which shall be in the form and containing the information required by these Articles, the Companies Act and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director's report and the Auditor's report thereon may, if he so requires, by notice in writing served on the Company, demand that the Company sends to him, in addition to the summary financial statement, a complete copy of the Company's annual accounts, together with the Directors' report and the Auditor's report thereon.

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
29.2 The appointment, removal and remuneration of the Auditors must be approved by a majority of the Company's members in the annual general meeting or by other body that is independent of the Board. At each annual general meeting, the members of the Company shall by ordinary resolution appoint one or more firms of Auditors and such Auditors shall hold office until the conclusion of the next annual general meeting. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by or on the authority of the Company in the annual general meeting by ordinary resolution.	29.2 The appointment, removal and remuneration of the Auditors must be approved by a majority of the Company's members in **~~the annual~~** **a** general meeting or by other body that is independent of the Board. At each annual general meeting, the members of the Company shall by ordinary resolution appoint one or more firms of Auditors and such Auditors shall hold office until the conclusion of the next annual general meeting. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by or on the authority of the Company in **~~the annual~~** **a** general meeting by ordinary resolution **or by other body that is independent of the Board**.	29.2 The appointment, removal and remuneration of the Auditors must be approved by a majority of the Company's members in a general meeting or by other body that is independent of the Board. At each annual general meeting, the members of the Company shall by ordinary resolution appoint one or more firms of Auditors and such Auditors shall hold office until the conclusion of the next annual general meeting. The Board may fill any casual vacancy in the office of Auditors, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by or on the authority of the Company in a general meeting by ordinary resolution or by other body that is independent of the Board.
29.3 The members of the Company may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by ordinary resolution at any time before the expiration of its term of office and shall, by ordinary resolution, at that meeting appoint new Auditors in its stead for the remainder of its term.	29.3 The members of the Company may, **by ordinary resolution** at any general meeting convened and held in accordance with these Articles, **or such other body that is independent of the Board may** remove the Auditors **~~by ordinary resolution~~** at any time before the expiration of its term of office and shall, **~~by ordinary resolution,~~** at that meeting appoint new Auditors in its stead for the remainder of its term.	29.3 The members of the Company may, by ordinary resolution at any general meeting convened and held in accordance with these Articles, or such other body that is independent of the Board may remove the Auditors at any time before the expiration of its term of office and shall, at that meeting appoint new Auditors in its stead for the remainder of its term.

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
30.1 Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.	30.1 Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member ~~either~~ **in any of the following manner which complies with the requirements of the Listing Rules: (a)** personally ~~or~~**by leaving it at the registered address of such member as appearing in the register; (b)** by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register ~~or, to the extent permitted by the Listing Rules and all applicable laws and regulations,~~ **(which shall be sent by airmail where the notice or document is posted from one country to another); (c)** by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company ~~or~~**;(d)** by placing it on **the Exchange's website and** the Company's Website ~~provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or~~**; or (e)** (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.	30.1 Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member in any of the following manner which complies with the requirements of the Listing Rules: (a) personally by leaving it at the registered address of such member as appearing in the register; (b) by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register (which shall be sent by airmail where the notice or document is posted from one country to another); (c) by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company; (d) by placing it on the Exchange's website and the Company's Website; or (e) (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
30.4 A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.	30.4 ~~**A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.**~~***[Intentionally left blank]***	30.4 *[Intentionally left blank]*
30.6 Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.	30.6 Any notice or ~~**other**~~ document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.	30.6 Any notice or document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

Before Amendment	After Amendment (Revision)	After Amendment (Clean)
30.8 Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.	30.8 Any notice **or document** given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations**, and it shall not be necessary for the receipt of the electronic transmission to be acknowledged by the recipient**.	30.8 Any notice or document given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations, and it shall not be necessary for the receipt of the electronic transmission to be acknowledged by the recipient.
(Not applicable)	**30.9 Any notice or document served by being placed on the Company's Website and the Exchange's website shall be deemed to be served at such time as may be prescribed by the Listing Rules.**	30.9 Any notice or document served by being placed on the Company's Website and the Exchange's website shall be deemed to be served at such time as may be prescribed by the Listing Rules.
32.1 Subject to the Companies Act, the Company may at any time and from time to time be wound up by the court or be wound up voluntarily by special resolution.	32.1 Subject to the Companies Act, the Company may at any time and from time to time be wound up by the court or be wound up voluntarily by special resolution **(voting rights attaching to treasury shares are excluded)**.	32.1 Subject to the Companies Act, the Company may at any time and from time to time be wound up by the court or be wound up voluntarily by special resolution (voting rights attaching to treasury shares are excluded).
35 Amendment of Memorandum and Articles Subject to the Companies Act, the Company may at any time and from time to time by special resolution alter or amend the Memorandum and these Articles in whole or in part.	35 Amendment of Memorandum and Articles Subject to the Companies Act, the Company may at any time and from time to time by special resolution **(voting rights attaching to treasury shares are excluded)** alter or amend the Memorandum and these Articles in whole or in part.	35 Amendment of Memorandum and Articles Subject to the Companies Act, the Company may at any time and from time to time by special resolution (voting rights attaching to treasury shares are excluded) alter or amend the Memorandum and these Articles in whole or in part.
When articles are added to or deleted from the Existing M&A, the numbering of the other articles shall be increased or decreased accordingly.		

天立国际控股有限公司
Tianli International Holdings Limited

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Tianli International Holdings Limited (the "**Company**") will be held at Conference Room 4, 3rd Floor, JW Marriott Hotel, 6005 Shennan Boulevard, Futian District, Shenzhen, Guangdong Province, China on Friday, 27 September 2024 at 10 a.m. for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

1. "**THAT:**

   the execution of (i) the construction framework agreement dated 17 July 2024 (the "**2024 School Construction Framework Agreement**") (a copy of which has been produced to the EGM marked "A" and signed by the chairman of the EGM for identification purpose) and (ii) the construction supplemental framework agreement dated 16 August 2024 (the "**2024 School Construction Supplemental Framework Agreement**") (a copy of which has been produced to the EGM marked "B" and signed by the chairman of the EGM for identification purpose), both entered into between Shenzhou Tianli Education Investment Co., Ltd. (神州天立教育投資有限責任公司) and Sichuan Nanyuan Construction Co., Ltd. (四川南苑建設有限公司) by any director(s) of the Company be and is hereby approved, confirmed and ratified; any director(s) of the Company be and is hereby authorized to sign, execute, perfect and deliver all such documents and to affix the common seal of the Company on any such document as and when necessary and do all such deeds, acts, matters and things as he may in his discretion consider necessary or desirable for the purposes of or in connection with the implementation of the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement and the transactions contemplated thereunder; and the annual caps for each of the three years ending 31 August 2027 for the transactions contemplated under the 2024 School Construction Framework Agreement/2024 School Construction Supplemental Framework Agreement as set out in the circular of the Company dated 6 September 2024 be and are hereby approved."

SPECIAL RESOLUTION

2. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

   "**THAT**:

   (a) the proposed amendments (the "**Proposed Amendments**") to the second amended and restated memorandum and articles of association of the Company (the "**Existing M&A**"), the details of which are set out in Appendix II to the circular of the Company dated 6 September 2024, be and are hereby approved;

   (b) the third amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments (the "**New M&A**"), a copy of which has been produced to this meeting and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted as the memorandum and articles of association of the Company in substitution for, and to the exclusion of, the Existing M&A with immediate effect; and

   (c) any director or company secretary of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the New M&A, including without limitation, attending to the necessary filings with the Registrar of Companies in the Cayman Islands and Hong Kong, respectively."

By Order of the Board
Tianli International Holdings Limited
LUO Shi
Chairman, Executive Director and Chief Executive Officer

The PRC, 6 September 2024

Notes:

1. For the purpose of determining the identity of the shareholders entitled to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 24 September 2024 to Friday, 27 September 2024, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 23 September 2024.

2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.

4. In order to be valid, the form of proxy must be under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM.

5. As at the date of this notice, the Board comprises Mr. Luo Shi as chairman and executive Director and Mr. Wang Rui as executive Director, Mr. Zhang Wenzao and Mr. Pan Ping as non-executive Directors and Mr. Liu Kai Yu Kenneth, Mr. Yang Dong and Mr. Cheng Yiqun as independent non-executive Directors.