

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

The Board of Tianli International Holdings Limited is pleased to announce the interim results of the Group for the six months ended 28 February 2025, together with comparative figures for the six months ended 29 February 2024.

FINANCIAL HIGHLIGHTS

	For the six months ended 28 February 2025 <i>RMB'000</i>	For the six months ended 29 February 2024 <i>RMB'000</i>	Change <i>RMB'000</i>	Percentage Change
Revenue	1,876,050	1,645,443	230,607	14.0%
Gross profit	705,069	582,925	122,144	21.0%
Profit for the period	389,503	285,863	103,640	36.3%
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY				
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	
Basic	19.28 cents	13.90 cents	5.38 cents	38.7%
Diluted	19.04 cents	13.84 cents	5.20 cents	37.6%
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	
Interim dividend per Share	5.78 cents	4.17 cents	1.61 cents	38.6%
Dividend payout ratio	30%	30%	—	—

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

Established in 2002, the Group is a leading comprehensive education service operator in Western region of the PRC. We provide customers with comprehensive education management and diversified services. During the Reporting Period, we provided comprehensive education service to 53,900 high school students.

Our Education Philosophy

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

Student Placement and Education Quality

Since our inception, our students have consistently achieved outstanding results in various academic examinations and contests, as well as in extra-curricular activities. During the Reporting Period, a total of 17 students won the first prize in the Provincial Competition of National League in the five subjects of physics, chemistry, mathematics, biology and informatics, and 3 persons were selected for the provincial competition team and won 1 gold medal and 1 silver medal in the national finals. In 2024, our graduating high school students of our schools participated in the National Higher Education Entrance Examination (known as "Gaokao") in the respective cities where the schools are located.

In the 2024 Gaokao, 272 of our high school graduates received college acceptance letters from the world's top 50 universities, representing an increase of 145 students compared to 127 students in 2023. Among them, 9 students were enrolled into the world's top 10 universities under Quacquarelli Symonds (QS) rankings: 2 were admitted to University of Cambridge (ranked second by QS), 1 was admitted to Imperial College London (ranked sixth by QS) and 6 were admitted to University College London (ranked ninth by QS). Approximately 90% of our Gaokao candidates from established schools attained the entry requirements of universities in the PRC, and approximately 55% attained the entry requirements of first-tier universities in the PRC.

Our Schools

With a strong presence in Sichuan province where the Group is based in, our schools span across 36 cities in Inner Mongolia, Shandong, Henan, Guizhou, Jiangxi, Zhejiang, Yunnan, Gansu, Anhui, Guangxi, Guangdong, Shaanxi, Shanghai, Chongqing and Hubei. During the Reporting Period, the Group principally provided students with comprehensive education services in 58 schools.

PRC-certified teachers are crucial to our business, allowing us to maintain the quality of our educational services while undergoing expansion. As of 28 February 2025, the number of full-time teachers employed by our self-owned schools was 2,682 (as of 29 February 2024: 2,060).

We recruit teachers through different channels and means, including campus recruitment, general public recruitment and the use of online recruiting websites, and we conduct assessment on candidates who apply through our recruitment procedures. We offer internships to undergraduate students who major in education or related subjects and show promising potential during our recruiting process. We also actively recruit teachers with extensive experiences from public schools and other private schools to expand our talent pool.

Management and franchise fees received from entrusted schools

During the Reporting Period, the Group provided school management and franchise services for 18 entrusted schools.

REGULATORY UPDATES

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》) (the “Implementation Regulations”)

In May 2021, the State Council of the People’s Republic of China announced the Implementation Regulations which came into effect on 1 September 2021. The Implementation Regulations set out more detailed regulations over the operation and management of private schools, which, among other things, required that (i) social organizations 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 (ii) private schools providing compulsory education are prohibited from conducting transactions with the related parties.

As the Implementation Regulations prohibit private schools which provide compulsory education from conducting transactions with the related parties, the management team of our Group has assessed its impact on our Group and concluded that, based on the existing relevant facts and situation, the Group’s ability to acquire variable returns through Exclusive Business Cooperation Agreement from certain operating schools (the “**Affected Business**”) has been terminated immediately before the Implementation Regulations came into effect on 1 September 2021. Therefore, the Group has decided to exclude its Affected Business from the scope of the consolidated financial statements since 31 August 2021. For details, please refer to the annual report of the Company for the eight months ended 31 August 2021 published on 22 March 2022.

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

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “Foreign Investment Law”)

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

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

The Affected Business

The table below sets out the names of entities and their principal business related to the Affected Business as at 28 February 2025:

Number	School name	Principal business
1	Luzhou Longmatan Tianli Elementary School (<i>Note 1</i>)	Elementary school
2	Yibin Cuiping District Tianli School	Elementary school and Middle school
3	Guangyuan Tianli School	Elementary school and Middle school
4	Neijiang Shizhong District Tianli School	Elementary school and Middle school
5	Liangshan Xichang Tianli School	Integrated school
6	Ya'an Tianli School	Elementary school and Middle school
7	Cangxi Tianli School	Elementary school and Middle school
8	Deyang Tianli School	Elementary school and Middle school
9	Ziyang Tianli School	Integrated school
10	Yichun Tianli School	Elementary school and Middle school
11	Baoshan Tianli School	Elementary school and Middle school
12	Dazhou Tianli School	Elementary school and Middle school
13	Weifang Tianli School	Integrated school
14	Yiliang Tianli School	Elementary school and Middle school
15	Ulanqab Jining District Tianli School	Elementary school and Middle school
16	Zhoukou Tianli School	Elementary school and Middle school
17	Zunyi Xipu New District Tianli School	Elementary school and Middle school
18	Dongying Kenli District Tianli School	Elementary school and Middle school
19	Jiange Jianmenguan Tianli School	Elementary school and Middle school
20	Luzhou Longmatan Tianli Chunyu School	Elementary school and Middle school
21	Wulian Tianli School	Elementary school and Middle school
22	Baise Tianli School	Elementary school and Middle school
23	Jining Tianli School	Elementary school and Middle school
24	Weihai Nanhai New District Tianli School	Elementary school and Middle school
25	Chongqing Fuling Lida School	Elementary school and Middle school
26	Honghu Tianli School	Elementary school and Middle school
27	Tongren Wanshan District Tianli School	Elementary school and Middle school
28	Lanzhou Tianli School	Elementary school and Middle school
29	Chengdu Longquanyi Tianli School (<i>Note 1</i>)	Elementary school and Middle school
30	Chengdu Pidu Tianli School (<i>Note 1</i>)	Integrated school

* Integrated school included elementary school, middle school and high school.

Notes:

1. Approximately 83.34% of equity interest of Luzhou Longmatan Tianli Elementary School, 85% of equity interest of Chengdu Longquanyi Tianli School and 97% of equity interest of Chengdu Pidu Tianli School were attributable to the Group.
2. All other schools were wholly-owned by the Group.

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

Prospects

In order to safeguard the sustainable development of the Group and to protect the long-term interests of the Company and its Shareholders, (i) the Group will adopt measures to optimize its operational structure, including separating the high schools with independent operating licenses from integrated schools. As at 28 February 2025, the Group had successfully separated a total of 7 high schools with independent operating licenses from integrated schools. The financial results of these high schools have been consolidated into the consolidated financial statements of the Group; and (ii) the Group will progressively increase the enrollment scale of the existing high schools. There were 53,900 high school students in the Company's school network as at the beginning of the 2024 fall semester, representing an increase of approximately 46.8% compared to 36,708 high school students as at the beginning of the 2023 fall semester.

Looking forward, the Group will adhere to its strategic expansion nationwide through expansion of optimization with a focus of for-profit high schools, providing students with comprehensive operational services, including but not limited to a series of other value-added services such as online campus store, logistical integrated services, study guidance for arts and sports oriented schools, international education, overseas studies consulting and study tours to promote the overall development of the students.

FINANCIAL REVIEW

Set out below includes the key highlights for the financial results for the six months ended 29 February 2024 and the six months ended 28 February 2025.

	For the six months ended 28 February 2025 <i>RMB'000</i> (Unaudited)	For the six months ended 29 February 2024 <i>RMB'000</i> (Unaudited)
Revenue	1,876,050	1,645,443
Cost of sales	<u>(1,170,981)</u>	<u>(1,062,518)</u>
GROSS PROFIT	705,069	582,925
Other income and gains	8,681	9,166
Selling and distribution expenses	(32,047)	(36,405)
Administrative expenses	(117,259)	(130,048)
Other expenses	(8,338)	(17,323)
Finance costs	(60,296)	(35,595)
Share of profits/(losses) of:		
A joint venture	-	(191)
Associates	<u>715</u>	<u>9,608</u>
PROFIT BEFORE TAX	496,525	382,137
Income tax expense	<u>(107,022)</u>	<u>(96,274)</u>
PROFIT FOR THE PERIOD	<u>389,503</u>	<u>285,863</u>

Revenue

The following table sets forth an analysis of revenue for the six months ended 29 February 2024 and the six months ended 28 February 2025:

	For the six months ended 28 February 2025 <i>RMB'000</i> (Unaudited)	For the six months ended 29 February 2024 <i>RMB'000</i> (Unaudited)
<i>Revenue from contracts with customers</i>		
Comprehensive educational services	1,012,491	851,272
Sale of products	474,941	473,810
Comprehensive logistical services	332,267	294,305
Management and franchise fees	<u>56,351</u>	<u>26,056</u>
Total revenue	<u>1,876,050</u>	<u>1,645,443</u>

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

Our revenue increased by 14.0% from approximately RMB1,645.4 million for the six months ended 29 February 2024 to approximately RMB1,876.1 million for the Reporting Period, primarily driven by increase of revenue from comprehensive educational services and comprehensive logistical services.

The revenue from comprehensive educational services of the Group increased by 18.9% from approximately RMB851.3 million for the six months ended 29 February 2024 to approximately RMB1,012.5 million for the Reporting Period, which is primarily due to the increase in high school students enrollment.

During the Reporting Period, the Group had generated sales revenue of approximately RMB474.9 million, which remained stable compared to approximately RMB473.8 million for the six months ended 29 February 2024.

The revenue from comprehensive logistical services increased by 12.9% from approximately RMB294.3 million for the six months ended 29 February 2024 to approximately RMB332.3 million for the Reporting Period, primarily due to the increase in the number of students served by the Group.

The revenue from management and franchise fees increased by 116.3% from approximately RMB26.1 million for the six months ended 29 February 2024 to approximately RMB56.4 million for the Reporting Period, primarily because of the addition of eight schools to our entrusted school network during the Reporting Period.

Costs of Principal Activities

The following table sets forth the components of our cost of sales for the six months ended 29 February 2024 and the six months ended 28 February 2025.

	Six months ended 28 February 2025 <i>RMB'000</i> (unaudited)	Six months ended 29 February 2024 <i>RMB'000</i> (unaudited)
Material consumption	259,093	208,957
Staff costs	242,051	202,770
Depreciation and amortization	125,626	112,545
Procurement cost of products	423,798	426,956
Teaching activity costs	101,211	92,216
Utilities	11,553	9,661
Others	7,649	9,413
	<u>1,170,981</u>	<u>1,062,518</u>

Our cost of sales consists of material consumption, staff costs, depreciation and amortization, procurement cost of products, teaching activity costs, utilities and others.

Our cost of sales increased by 10.2% from approximately RMB1,062.5 million for the six months ended 29 February 2024 to approximately RMB1,171.0 million for the Reporting Period, primarily due to the increase in revenue of 14.0% during the Reporting Period resulting in the corresponding increase in staff costs, material consumption, depreciation and amortization and other costs related to business operations.

Material consumption costs increased by 24.0% from approximately RMB209.0 million for the six months ended 29 February 2024 to approximately RMB259.1 million for the Reporting Period, primarily due to the increase in the number of diners in the canteens operated during the Reporting Period as well as the increase in various expenditures for further enhancement of the quality of the services provided by the canteens.

Staff costs increased by 19.4% from approximately RMB202.8 million for the six months ended 29 February 2024 to approximately RMB242.1 million for the Reporting Period, primarily due to the increase in labor cost as a result of the recruitment of new teachers resulted from the increase in the number of high school students.

Depreciation and amortization costs increased by 11.6% from approximately RMB112.5 million for the six months ended 29 February 2024 to approximately RMB125.6 million for the Reporting Period, primarily due to the increase in depreciation and amortization as a result of maintenance and extension works at some schools.

Procurement cost of products slightly decreased by 0.7% from approximately RMB427.0 million for the six months ended 29 February 2024 to RMB423.8 million for the Reporting Period.

Teaching activity costs increased by 9.8% from approximately RMB92.2 million for the six months ended 29 February 2024 to approximately RMB101.2 million for the Reporting Period, primarily due to the costs of related teaching services arising from the increase in the number of high school students.

Utilities cost increased by 19.6% from approximately RMB9.7 million for the six months ended 29 February 2024 to approximately RMB11.6 million for the Reporting Period, primarily due to the increased number of students served.

Gross Profit and Gross Profit Margin

The Group's gross profit for the Reporting Period was approximately RMB705.1 million, representing an increase of 21.0% from approximately RMB582.9 million for the six months ended 29 February 2024, primarily due to the increase in the number of high school students enrolled and the revenue from the Group's provision of comprehensive educational services. The Group's gross profit margin for the Reporting Period was approximately 37.6%, representing an increase of 2.2 percentage points as compared with 35.4% for the six months ended 29 February 2024.

Other Income and Gains

Other income and gains primarily consist of bank interest income, other service income and other subsidy income.

Other income and gains represents a slight decrease from approximately RMB9.2 million for the six months ended 29 February 2024 to approximately RMB8.7 million for the Reporting Period.

Administrative Expenses

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

Administrative expenses decreased by 9.8% from approximately RMB130.0 million for the six months ended 29 February 2024 to approximately RMB117.3 million for the Reporting Period, primarily as a result of a decrease in equity-settled share option scheme expenses.

Finance Costs

Finance costs increased from RMB35.6 million for the six months ended 29 February 2024 to RMB60.3 million for the Reporting Period, primarily due to the amount of capitalised interest of RMB20.8 million for the six months ended 29 February 2024 and no amount of capitalised interest for the Reporting Period.

Income Tax

Income tax increased by 11.2% from approximately RMB96.3 million for the six months ended 29 February 2024 to approximately RMB107.0 million for the six months ended 28 February 2025, mainly due to the increase in profit before tax arising from taxable subsidiaries, in particular, our high schools and the Group's major subsidiaries established in the PRC which are subject to corporate income tax at a rate of 25%. The effective income tax rate for the six months ended 28 February 2025 was 21.6%, representing a decrease of 3.6 percentage points from 25.2% for the six months ended 29 February 2024, mainly due to the fact that Sichuan Qiming Daren Technology Co., Ltd. was certified as a "Double-soft Enterprise" and was entitled to a full exemption from PRC corporate income tax for the Reporting Period.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

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

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

As at 28 February 2025, we had net current liabilities of approximately RMB2,434.0 million, as compared with net current liabilities of approximately RMB2,438.4 million as at 31 August 2024.

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

As at 28 February 2025, the Group had cash and cash equivalents of approximately RMB454.4 million (29 February 2024: approximately RMB652.3 million). The following table sets forth a summary of our cash flows for the periods indicated:

	Six months ended 28 February 2025 RMB'000 (Unaudited)	Six months ended 29 February 2024 RMB'000 (Unaudited)
Net cash flows from/(used in) operating activities	52,846	(74,804)
Net cash flow used in investing activities	(277,643)	(220,408)
Net cash flow used in financing activities	(679,235)	(620,734)
Net decrease in cash and cash equivalents	(904,032)	(915,946)
Net effect of foreign exchange rates	(307)	6,081
Cash and cash equivalents at beginning of period	1,349,016	1,432,369
Cash and cash equivalents as stated in the consolidated statement of cash flows	444,677	522,504
Time deposits with original maturity over 3 months	9,708	129,828
Cash and cash equivalents at end of period (as stated in the consolidated statement of financial position)	454,385	652,332

BORROWINGS AND GEARING RATIO

As at 28 February 2025, the Group had borrowings of approximately RMB2,029.7 million (31 August 2024: RMB2,053.0 million) and the Group's unutilised banking facilities was approximately RMB1,761.8 million. The Group's bank borrowings, of which RMB516.0 million were at fixed interest rates, were primarily used in financing the working capital requirement of its operations and school constructions.

As at 28 February 2025, the gearing ratio of the Group, calculated as the total interest-bearing borrowings divided by the total assets, was approximately 21.7% (31 August 2024: approximately 20.1%).

FOREIGN CURRENCY RISK

The functional currency of the Company is RMB, except that the functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at 28 February 2025, certain cash and bank balances and time deposits are denominated in RMB, HKD and USD, which would expose the Group to foreign currency risk. The Group has not used any foreign currency swap contracts to reduce the exposure to USD and HKD arising from bank balances. The Company also currently does not have any foreign exchange hedging policy.

TREASURY POLICIES

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

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no significant investment held, material acquisition and disposal of subsidiaries and associates by the Company for the six months ended 28 February 2025. The Group will make every endeavor to keep abreast of the changing market conditions, proactively identify investment opportunities in order to broaden the revenue base of the Group, enhance its future financial performance and profitability. Moreover, the Group will gradually restructure its business into the provision of integrated operational services in relation to the development of people of the appropriate age, and seek generic strategic expansions through acquisitions of suitable targets. The Group expects to utilize cash generated from operations, bank borrowings and funds from other financing channels to fund its capital requirements. We are confident in the future and committed to continuous growth of the Company.

CAPITAL EXPENDITURES

Our capital expenditures primarily related to the construction of new self-owned schools, the maintenance and upgrade of our existing self-owned schools, and the purchase of additional educational facilities and equipment for our self-owned schools. The Group's capital expenditures consisted of purchase or construction costs relating to property, equipment, prepaid land lease payments and other intangible assets. For the six months ended 28 February 2025, our capital expenditures represented by the relevant cash outflows were approximately RMB218.1 million (the six months ended 29 February 2024: approximately RMB183.2 million (Restated)), which we funded primarily through cash generated from operations, bank facilities, and net proceeds received from the Placing and the Subscription in December 2020.

CONTINGENT LIABILITIES

As at 28 February 2025, the Group did not have any material contingent liabilities (29 February 2024: Nil).

CAPITAL COMMITMENTS

As at 28 February 2025, the Group had capital commitments contracted but not provided for property, plant and equipment amounting to approximately RMB62.8 million (29 February 2024: approximately RMB190.0 million).

SEGMENT INFORMATION

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

USE OF PROCEEDS FROM PLACING AND SUBSCRIPTION

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

Items	Allocation of net proceeds <i>(HKD million)</i>	Unutilised as at 31 August 2024 <i>(HKD million)</i>	Net proceeds utilised during the six months ended		Expected time for the use of unutilised proceeds
			28 February 2025 <i>(HKD million)</i>	Unutilised as at 28 February 2025 <i>(HKD million)</i>	
Potential future mergers and acquisitions of high quality targets at reasonable prices	200.00	67.65	67.65	0.00	Not applicable
Expansion of self-built and self-operated projects in first-tier and core cities	194.97	0.00	0.00	0.00	Not applicable
Repayment of bank loans	300.00	0.00	0.00	0.00	Not applicable

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

For the Six Months Ended 28 February 2025

		For the six months ended 28 February 2025 <i>RMB'000</i> (Unaudited)	For the six months ended 29 February 2024 <i>RMB'000</i> (Unaudited)
	<i>Notes</i>		
REVENUE	3	1,876,050	1,645,443
Cost of sales	5	<u>(1,170,981)</u>	<u>(1,062,518)</u>
Gross profit		705,069	582,925
Other income and gains	3	8,681	9,166
Selling and distribution expenses		(32,047)	(36,405)
Administrative expenses		(117,259)	(130,048)
Other expenses		(8,338)	(17,323)
Finance costs	4	(60,296)	(35,595)
Share of profits/(losses) of:			
A joint venture		–	(191)
Associates		<u>715</u>	<u>9,608</u>
PROFIT BEFORE TAX	5	496,525	382,137
Income tax expense	6	<u>(107,022)</u>	<u>(96,274)</u>
PROFIT FOR THE PERIOD		<u>389,503</u>	<u>285,863</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>(65)</u>	<u>50</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>389,438</u>	<u>285,913</u>

		For the six months ended 28 February 2025 <i>RMB'000</i> (Unaudited)	For the six months ended 29 February 2024 <i>RMB'000</i> (Unaudited)
	<i>Notes</i>		
Profit attributable to:			
Owners of the Company		397,656	288,881
Non-controlling interests		(8,153)	(3,018)
		<u>389,503</u>	<u>285,863</u>
Total comprehensive income attributable to:			
Owners of the Company		397,591	288,931
Non-controlling interests		(8,153)	(3,018)
		<u>389,438</u>	<u>285,913</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	7	<u>RMB19.28 cents</u>	<u>RMB13.90 cents</u>
Diluted	7	<u>RMB19.04 cents</u>	<u>RMB13.84 cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 February 2025

		28 February 2025 <i>RMB'000</i> (Unaudited)	31 August 2024 <i>RMB'000</i>
	Notes		
NON-CURRENT ASSETS			
Property, plant, and equipment	8	4,905,796	4,969,301
Right-of-use assets	9	2,436,155	2,448,695
Goodwill	10	106,465	106,465
Other intangible assets		38,129	38,418
Investments in associates		13,540	12,825
Prepayments, deposits and other receivables	12	148,572	62,335
Deferred tax assets		331,847	337,019
Total non-current assets		7,980,504	7,975,058
CURRENT ASSETS			
Inventories		18,336	26,457
Trade receivables	11	39,584	18,362
Prepayments, deposits and other receivables	12	150,411	128,559
Amounts due from related parties		720,501	686,892
Cash and cash equivalents		454,385	1,358,388
Total current assets		1,383,217	2,218,658
CURRENT LIABILITIES			
Trade payables	13	85,807	56,627
Other payables and accruals		389,368	609,858
Contract liabilities	14	974,723	1,346,460
Interest-bearing bank and other borrowings	15	740,605	740,943
Amounts due to related parties		1,053,106	1,425,543
Tax payable		219,857	185,848
Lease liabilities	9	39,814	20,646
Deferred income		313,905	271,122
Total current liabilities		3,817,185	4,657,047
NET CURRENT LIABILITIES	1	(2,433,968)	(2,438,389)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,546,536	5,536,669

		28 February 2025	31 August 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	
NON-CURRENT LIABILITIES			
Lease liabilities	9	474,268	459,468
Deferred tax liabilities		66,756	64,945
Deferred income		215,380	239,391
Interest-bearing bank and other borrowings	15	1,289,120	1,312,052
Amounts due to related parties		737,762	987,777
		<hr/>	<hr/>
Total non-current liabilities		2,783,286	3,063,633
		<hr/>	<hr/>
NET ASSETS		2,763,250	2,473,036
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	16	178,932	179,763
Treasury shares		–	(1,330)
Reserves		2,591,599	2,294,341
		<hr/>	<hr/>
		2,770,531	2,472,774
		<hr/>	<hr/>
Non-controlling interests		(7,281)	262
		<hr/>	<hr/>
Total equity		2,763,250	2,473,036
		<hr/>	<hr/>

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

28 February 2025

1 BASIS OF PREPARATION

The interim condensed financial information for the six months ended 28 February 2025 (the “Period”) has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 August 2024.

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

Going concern

As at 28 February 2025, the Group recorded net current liabilities of approximately RMB2,433,968,000 (31 August 2024: RMB2,438,389,000). Included in the current liabilities as at 28 February 2025 were contract liabilities and deferred income of RMB974,723,000 (31 August 2024: RMB1,346,460,000) and RMB313,905,000 (31 August 2024: RMB271,122,000), respectively. As at 28 February 2025, the Group had cash and cash equivalents of RMB454,385,000 (31 August 2024: RMB1,358,388,000).

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

- (a) Based on the arrangements signed with the licensed banks in Mainland China, the Group has total unutilised banking facilities of RMB1,761,775,000 (31 August 2024: RMB844,000,000), among which RMB880,000,000 will expire on 17 September 2025. In the opinion of the directors, there are no major obstacles for the Group to renew these banking facilities for an additional two years upon expiration. Additionally, the remaining unutilised banking facilities of RMB881,775,000 are available for drawdown within the next four years from 28 February 2025; and
- (b) The directors of the Company have reviewed the Group’s cash flow forecast prepared by management, which covered a period of not less than twelve months from 28 February 2025. In the opinion of the directors of the Company, the Group will have sufficient working capital to meet its financial obligation as and when they fall due and carry on its business without a significant curtailment of operations of not less than twelve months from 28 February 2025.

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of this interim condensed financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 August 2024, except for the adoption of the following revised IFRS Accounting standards for the first time for the current period's financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRS Accounting standards are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 September 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed financial information.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 28 February 2025 RMB'000 (Unaudited)	For the six months ended 29 February 2024 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Comprehensive educational services	1,012,491	851,272
Sale of products	474,941	473,810
Comprehensive logistical services	332,267	294,305
Management and franchise fees	56,351	26,056
	<hr/>	<hr/>
Total	1,876,050	1,645,443
	<hr/> <hr/>	<hr/> <hr/>

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 28 February 2025 RMB'000 (Unaudited)	For the six months ended 29 February 2024 RMB'000 (Unaudited)
Timing of revenue recognition		
Services transferred over time	1,347,662	1,123,071
Goods transferred at a point in time	528,388	522,372
	<hr/>	<hr/>
Total	1,876,050	1,645,443
	<hr/> <hr/>	<hr/> <hr/>

(ii) Performance obligations

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

Goods transferred at a point in time

The performance obligation of students with the option to choose their meals from the canteen menus and make payments using their prepaid on-school identity cards (the "Menu-ordering Canteen Operations") and revenue from the sale of products, including student necessities and agricultural and sideline products, are satisfied at the point in time when the control of goods has been transferred, being the time when the goods are accepted by the customers.

Services transferred over time

Other than the Menu-ordering Canteen Operations and sale of products, the performance obligations for services are satisfied over time because a customer simultaneously receives and consumes the benefits provided by the Group.

As at 28 February 2025, since all amounts of transaction prices related to performance obligations were expected to be recognised as revenue within one year and as permitted under IFRS 15, the transaction prices allocated to these unsatisfied contracts (or partially unsatisfied) are not disclosed.

An analysis of other income and gains is as follows:

	For the six months ended 28 February 2025 RMB'000 (Unaudited)	For the six months ended 29 February 2024 RMB'000 (Unaudited)
Other income		
Government grants	4,406	2,077
Bank interest income	2,454	4,500
Rental income	31	457
Others	1,790	1,374
	<hr/>	<hr/>
Total other income	8,681	8,408
	<hr/>	<hr/>
Gains		
Gain on disposal of financial assets at fair value through profit or loss	–	754
Fair value gains on financial assets at fair value through profit or loss	–	4
	<hr/>	<hr/>
Total gains	–	758
	<hr/>	<hr/>
Total	8,681	9,166
	<hr/> <hr/>	<hr/> <hr/>

4. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	For the six months ended 28 February 2025 RMB'000 (Unaudited)	For the six months ended 29 February 2024 RMB'000 (Unaudited)
Interest on bank and other borrowings	47,192	46,650
Interest on lease liabilities (<i>note 9</i>)	12,765	9,759
	<hr/>	<hr/>
	59,957	56,409
Less: Interest capitalised	–	(20,814)
	<hr/>	<hr/>
Subtotal	59,957	35,595
Other finance costs:		
Unwinding of discounted amounts of non-current liabilities	339	–
	<hr/>	<hr/>
Total	60,296	35,595
	<hr/> <hr/>	<hr/> <hr/>
Interest rates of borrowings costs capitalised (%)	N/A	4.20-6.95
	<hr/> <hr/>	<hr/> <hr/>

5. PROFIT BEFORE TAX

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

	For the six months ended 28 February 2025 <i>RMB'000</i> (Unaudited)	For the six months ended 29 February 2024 <i>RMB'000</i> (Unaudited)
Cost of inventories consumed	682,891	635,913
Cost of services provided	488,090	426,605
Total	<u>1,170,981</u>	<u>1,062,518</u>
Loss on disposal of property, plant and equipment, net	913	–
Equity-settled share award scheme expenses	1,290	1,712
Equity-settled share option scheme expenses	10,200	28,140
Foreign exchange losses, net	424	8,186
	<u>12,827</u>	<u>38,038</u>

6. INCOME TAX

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

	For the six months ended 28 February 2025 <i>RMB'000</i> (Unaudited)	For the six months ended 29 February 2024 <i>RMB'000</i> (Unaudited)
Current – Mainland China		
Charge for the year	100,039	93,581
Deferred	6,983	2,693
Total	<u>107,022</u>	<u>96,274</u>

Notes:

- (a) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.
- (b) The applicable profits tax rate for a Hong Kong-incorporated subsidiary was 16.5%. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Period.
- (c) Pursuant to the People's Republic of China (the "PRC") Income Tax Law and the respective regulations, all the Group's subsidiaries established in the PRC were subject to the PRC corporate income tax ("CIT") at a rate of 25% during the Period, except for the subsidiaries list below:

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

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

Jingxi Tianli Education Consulting Co., Ltd. ("Jingxi Tianli") and Baise Shenzhou Tianli Senior High School Co., Ltd. ("Baise High School") operate in encouraged industries within the Guangxi Baise Pilot Zone, qualifying them for a local CIT exemption (40% of the standard 25% tax rate). As a result, Baise High School enjoys a preferential CIT rate of 15%. Additionally, Jingxi Tianli qualifies as a small and micro-enterprise under preferential income tax policies, reducing its effective tax rate to 3%.

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

Sichuan Qiming Daren Technology Co., Ltd. ("Sichuan Qiming") is qualified as a "Double-soft Enterprise" and is entitled to enjoy a full exemption from PRC CIT for two years from the first profit-making year and a 50% reduction on corporate for the next subsequent three years. Sichuan Qiming enjoyed a full exemption from PRC CIT during the Period.

- (d) The share of tax attributable to a joint venture and associates amounting to nil (29 February 2024: RMB440,000) and RMB11,000 (29 February 2024: RMB8,000), respectively, is included in "Share of profits/(losses) of a joint venture and associates" in profit or loss.

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

	For the six months ended 28 February 2025 RMB'000 (Unaudited)	For the six months ended 29 February 2024 RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	397,656	288,881
	Number of shares ('000)	
	For the six months ended 28 February 2025	For the six months ended 29 February 2024
Shares		
Weighted average number of ordinary shares in issue	2,113,711	2,154,000
Effect of the weighted average number of ordinary shares:		
Repurchased under the share award scheme	(56,548)	(56,548)
Treasury shares repurchased for cancellation	–	(22,882)
Weighted average number of vested ordinary shares granted under the share award plan	5,448	4,313
Adjusted weighted average number of ordinary shares used in the basic earnings per share calculation	2,062,611	2,078,883
Effect of dilution – weighted average number of ordinary shares:		
Share award scheme	2,984	816
Share options	22,933	7,162
Adjusted weighted average number of ordinary shares used in the diluted earnings per share calculation	2,088,528	2,086,861

8. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the Period are as follows:

	<i>RMB'000</i>
Carrying amount as at 1 September 2024	4,969,301
Additions	32,523
Disposals	(1,109)
Depreciation charged for the Period	(94,919)
	<hr/>
Carrying amount as at 28 February 2025 (unaudited)	4,905,796
	<hr/> <hr/>

Notes:

- (a) As at 28 February 2025, the Group was in the customary process of obtaining the relevant property ownership certificates for certain buildings with a net carrying amount of approximately RMB707,662,000 (31 August 2024: RMB867,580,000). The Group's buildings can only be sold, transferred or mortgaged when the relevant certificates have been obtained.
- (b) No interest expense was capitalised into property, plant and equipment during the Period (six months ended 29 February 2024: RMB20,814,000).

9. LEASES

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

	Right-of-use assets			Lease liabilities
	Leasehold land	Buildings and other premises	Total	liabilities
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
As at 1 September 2024	1,989,730	458,965	2,448,695	480,114
Additions	–	34,120	34,120	34,120
Depreciation charge	(23,130)	(24,299)	(47,429)	–
Lease modification	–	769	769	769
Interest expense	–	–	–	12,765
Payments	–	–	–	(13,686)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 28 February 2025	1,966,600	469,555	2,436,155	514,082
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10. GOODWILL

Reconciliation of the carrying amount of the Group's goodwill at the beginning and end of the Period is presented below:

	<i>RMB'000</i>
At 1 September 2024 and 28 February 2025	106,465

IAS 36 requires an entity to perform impairment tests on goodwill on an annual basis. Management did not identify any significant adverse changes in the operating results and macro environment during the Period. Accordingly, the Company's management did not perform impairment tests on goodwill as at 28 February 2025.

11. TRADE RECEIVABLES

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

	28 February 2025 <i>RMB'000</i> (Unaudited)	31 August 2024 <i>RMB'000</i>
Within 3 months	36,327	11,967
Over 3 months	3,257	6,395
Total	39,584	18,362

Trade receivables as at the end of the Period were not individually nor collectively considered to be impaired. None of the above trade receivables was either past due or impaired.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	28 February 2025 <i>RMB'000</i> (Unaudited)	31 August 2024 <i>RMB'000</i>
Current portion:		
Security deposits	19,510	18,774
Prepayments	56,181	33,052
Advances to staff	29,460	33,380
Loans to third parties	15,394	15,394
Deductible input value-added tax and prepaid income tax	12,771	17,544
Other receivables	17,095	10,415
Subtotal	150,411	128,559
Non-current portion:		
Prepayments for property, plant and equipment	3,875	3,573
Deductible input value-added tax	56,331	58,762
Prepayments for the acquisition of land use rights	88,366	—
Subtotal	148,572	62,335
Total	298,983	190,894

13. TRADE PAYABLES

An ageing analysis of trade payables as at the end of the Period, based on the invoice date, is as follows:

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
Within 3 months	48,938	52,918
3 to 6 months	26,576	821
Over 6 months	10,293	2,888
	<hr/>	<hr/>
Total	85,807	56,627
	<hr/> <hr/>	<hr/> <hr/>

14. CONTRACT LIABILITIES

	28 February 2025 RMB'000 (Unaudited)	31 August 2024 RMB'000
<i>Advances received from customers</i>		
Comprehensive educational services	724,117	1,020,897
Comprehensive logistical services	208,930	227,492
Sale of products	20,204	42,648
Others	21,472	55,423
	<hr/>	<hr/>
Total	974,723	1,346,460
	<hr/> <hr/>	<hr/> <hr/>

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

		28 February 2025			31 August 2024		
	Notes	Effective interest rate (%)	Maturity	RMB'000 (Unaudited)	Effective interest rate (%)	Maturity	RMB'000
Current							
Bank loans – secured	(a)	3.50-5.40	2025	100,000	4.00-6.15	2024-2025	190,000
Bank loans – unsecured		3.95	2025	24,000	–	–	–
Current portion of long-term bank loans – secured	(a)	3.95-7.00	2025-2026	554,025	4.20-7.00	2024-2025	476,545
Current portion of long-term bank loans – unsecured		3.30-4.50	2025-2026	12,410	4.85	2024-2025	25,750
Current portion of long-term other borrowing – secured	(a), (b)	6.10	2025-2026	50,170	6.10	2024-2025	48,648
Total – current				740,605			740,943
Non-current							
Bank loans – secured	(a)	3.60-7.00	2026-2030	804,280	4.20-7.00	2025-2030	1,017,845
Bank loans – unsecured		3.30-4.50	2026-2032	484,840	4.85	2025-2027	268,750
Other borrowing – secured	(a), (b)	–	–	–	6.10	2025-2026	25,457
Total – non-current				1,289,120			1,312,052
Total				2,029,725			2,052,995

As at 28 February 2025 and 31 August 2024, all bank and other borrowings of the Group were denominated in RMB.

Notes:

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

	Loan amounts	
	28 February 2025	31 August 2024
	RMB'000	RMB'000
	(Unaudited)	
<i>Secured by:</i>		
Rights over educational service fees of certain schools	305,980	307,990
Both equity interests in certain subsidiaries and rights over educational service fees	1,202,495	1,450,505
Total	1,508,475	1,758,495

- (b) They represented other borrowings borrowed from an independent third party leasing company by the Group, with the principal of RMB137,301,000, which bear interest at an effective rate of 6.1% per annum with annual instalment payments up to the maturity date on 23 February 2026.

16. SHARE CAPITAL

Shares

	28 February 2025	31 August 2024
	HK\$'000	HK\$'000
	(Unaudited)	
Authorised:		
10,000,000,000 ordinary shares of HK\$0.1 each	1,000,000	1,000,000
Issued and fully paid:		
2,105,880,000 (31 August 2024: 2,115,654,000) ordinary shares of HK\$0.1 each	210,588	211,565
Equivalent to approximately (in RMB'000)	178,932	179,763

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

	Number of shares in issue	Issued capital equivalent to approximately	
		<i>HK\$'000</i>	<i>RMB'000</i>
At 1 September 2024	2,115,654,000	211,565	179,763
Cancellation of issued capital	(9,774,000)	(977)	(831)
At 28 February 2025	2,105,880,000	210,588	178,932

17. DIVIDEND

At the meeting of the board of directors held on 29 April 2025, the board of directors resolved to pay an interim dividend of RMB5.78 cents per share for the Period (six months ended 29 February 2024: RMB4.17 cents). The total interim dividend was RMB121,725,000 (six months ended 29 February 2024: RMB88,237,000).

18. COMMITMENTS

The Group had the following contractual commitments as at the end of the Period:

	28 February 2025	31 August 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	
Property, plant and equipment	62,824	61,813

INTERIM DIVIDEND

The Board resolved for the payment of an interim dividend of RMB5.78 cents (equivalent to HKD6.22 cents, according to the central parity rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 29 April 2025, i.e. RMB0.92853 equivalent to HKD1.00) per Share for the six months ended 28 February 2025 (for the six months ended 29 February 2024: RMB4.17 cents per Share) to be paid on Monday, 18 August 2025 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 6 August 2025, representing a dividend payout amount of approximately RMB121.7 million (equivalent to approximately HKD131.0 million) (based on the number of issued Shares as at the date of this announcement) and a dividend payout ratio of 30% for the six months ended 28 February 2025 (for six months ended 29 February 2024: 30%).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend for the six months ended 28 February 2025, the register of members of the Company will be closed from Monday, 4 August 2025 to Wednesday, 6 August 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be qualified for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai for registration not later than 4:30 p.m. on Friday, 1 August 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at 28 February 2025, the Group employed 6,149 employees (as at 29 February 2024: 5,106).

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

The Company has also adopted a Pre-IPO Restricted Share Award Scheme, Share Option Scheme and Restricted Share Award Scheme for its employees and other eligible persons.

SHARE INCENTIVE SCHEMES

Prior to the listing date, the Company adopted the Pre-IPO Restricted Share Award Scheme and the Share Option Scheme on 15 January 2018 and 24 June 2018, respectively. For details of the schemes, please refer to the Prospectus.

On 17 December 2018, the Company adopted the Restricted Share Award Scheme. For details of such scheme, please refer to the announcement of the Company dated 17 December 2018.

Pursuant to the Share Option Scheme, the Company may issue (upon exercise of all options to be granted thereunder) up to a maximum of 200,000,000 Shares. On 24 October 2024, the Company granted an aggregate of 9,400,000 share options (where each share option shall entitle the relevant grantee to subscribe for one Share) to eligible participants pursuant to the Share Option Scheme. For further details, please refer to the announcement of the Company dated 24 October 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 28 February 2025, the Company repurchased a total of 9,389,000 Shares ("**Shares Repurchased**") on the Stock Exchange, at an aggregate consideration of HKD33,266,636 (inclusive of the payment of trading fees, levies and commissions in the aggregate amount of HKD70,396). The Company believed that the then prevailing trading prices of the Shares were lower than its intrinsic value and did not fully reflect the business prospects of the Company, and that the various share repurchases reflected the Company's long-term confidence in its operational growth outlook and financial position, increased the net asset value and earnings per Share, and were in the best interests of the Company and the Shareholders. Details of the Shares Repurchased are as follows:

Month	No. of Shares repurchased	Price paid per Share		Aggregate consideration (HKD)
		Highest (HKD)	Lowest (HKD)	
September 2024	7,584,000	3.87	3.13	26,171,342
December 2024	<u>1,805,000</u>	4.10	3.73	<u>7,095,294</u>
Total	<u><u>9,389,000</u></u>			<u><u>33,266,636</u></u>

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period. As at 28 February 2025, the Company did not have any treasury shares.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Company’s code for dealings in securities of the Company by the Directors. Having made specific enquiry to all the Directors, they have confirmed that they have complied with the Model Code during the six months ended 28 February 2025.

CORPORATE GOVERNANCE

During the six months ended 28 February 2025, the Company has complied with all applicable code provisions set out in the CG Code contained in Part 2 of Appendix C1 to the Listing Rules, save and except for the following deviation.

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

The Board believes that it is in the interest of the Company and its Shareholders for Mr. Luo Shi to assume the responsibilities of such positions, given that Mr. Luo Shi is the founder of the Company and has extensive experience in the operation and management of the Company. The Board also considers that such arrangement will not impair the balance of power and authority between the Board and the management as the Board comprises seven other experienced individuals during the six months ended 28 February 2025. In addition, for major decisions of the Group, the Company will consult Board committees and senior management as and when appropriate. The Board will review such arrangement from time to time and will continue to review and monitor the corporate governance practices of the Company for the purpose of maintaining high corporate governance standards.

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

AUDIT COMMITTEE

The Company has established the Audit Committee comprising three members, namely, Mr. Liu Kai Yu Kenneth, Mr. Cheng Yiqun and Mr. Yang Dong. Mr. Liu Kai Yu Kenneth is the chairman of the Audit Committee.

The Audit Committee has its written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3.3 of the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the financial controls, risk management and internal control systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

The Audit Committee, together with the management of the Company, has discussed the matters concerning risk management and internal control, auditing and financial reporting matters and reviewed the interim results and the consolidated financial statements of the Group for the six months ended 28 February 2025.

SCOPE OF WORK FOR INTERIM RESULTS ANNOUNCEMENT BY AUDITORS

The Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the six months ended 28 February 2025 as set out in this announcement have been reviewed and agreed by the Company's auditor, Ernst & Young. The financial information has been reviewed by the Audit Committee and approved by the Board.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events of the Group after six months ended 28 February 2025 and up to the date of this announcement.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of HKEXnews at www.hkexnews.hk and the website of the Company at www.tianlieducation.com. The interim report of the Group for the six months ended 28 February 2025 will be published on the aforesaid websites of HKEXnews and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

DEFINITIONS

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

“Audit Committee”	a committee of the Board established by the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company
“Board”	the board of Directors of the Company
“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 Stock Exchange
“CG Code”	Corporate Governance Code as set out in part 2 of Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company

“Gaokao”	the National Higher Education Entrance Examination (普通高等學校招生全國統一考試)
“Group”, “we”, “us” or “our”	the Company, its subsidiaries and entities under the Company’s control through contractual arrangements in the PRC
“HKD” and “HK cent(s)”	Hong Kong dollar and cent(s) respectively, the lawful currency of Hong Kong
“IPO”	initial public offering
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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, the principal terms of which are set out in the section headed “Statutory and General Information – D. Restricted Share Award Scheme” in Appendix V to the Prospectus
“Prospectus”	the prospectus of the Company dated 28 June 2018 issued by the Company in relation to the listing of its Shares on the Main Board of the Stock Exchange
“Reporting Period”	the period for the six months ended 28 February 2025
“Restricted Share Award Scheme”	the restricted share award scheme for the award of Shares to eligible participant, adopted by the Company on 17 December 2018, pursuant to the announcement made by the Company on 17 December 2018
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of HKD0.1 each
“Share Option Scheme”	the share option scheme of our Company, adopted pursuant to a resolution of our Shareholders on 24 June 2018, the principal terms of which are summarized in the section headed “Statutory and General Information – E. Share Option Scheme” in Appendix V to the Prospectus

“Shareholder(s)” holder(s) of the Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By the order of the Board
Tianli International Holdings Limited
Luo Shi

Chairman, Executive Director and Chief Executive Officer

The PRC, 29 April 2025

As at the date of this announcement, the Board comprises Mr. LUO Shi as chairman and executive Director and Mr. WANG Rui as executive Director, Mr. ZHANG Wenzao, Mr. PAN Ping and Ms. LI Xiaomei as non-executive Directors and Mr. LIU Kai Yu Kenneth, Mr. YANG Dong and Mr. CHENG Yiqun as independent non-executive Directors.