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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 AUGUST 2026

FINANCIAL HIGHLIGHTS

	For the year ended 31 August 2026 ***RMB'000***	For the year ended 31 August 2025 *RMB'000*	Change *RMB'000*	Percentage Change
Revenue	**3,836,007**	3,588,901	247,106	6.9%
Gross profit	**1,220,516**	1,213,533	6,983	0.6%
Profit for the year	**601,426**	648,130	(46,704)	(7.2%)
Adjusted profit for the year	**548,812**	615,561 (re-presented)	(66,749)	(10.8%)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY				
	RMB	*RMB*	*RMB*	
Basic	**29.65 cents**	32.25 cents	(2.60 cents)	(8.1%)
Diluted	**29.65 cents**	31.86 cents	(2.21 cents)	(6.9%)
	RMB	*RMB*	*RMB*	
Total dividend per Share	**2.63 cents**	9.68 cents	(7.05 cents)	(72.8%)

Calculation of the adjusted profit for the year

	For the year ended 31 August 2026 ***RMB'000***	For the year ended 31 August 2025 *RMB'000*
Profit for the year	**601,426**	648,130
Add/(Less):		
Share of profits of associates	**(93)**	(900)
Equity-settled share award scheme and share option scheme expenses	**16,080**	25,549
Foreign exchange losses/(profits), net	**2,055**	(830)
Depreciation and amortisation arising from valuation uplifts	**10,149**	9,768
Reversal of impairment losses on property, plant and equipment	**(156,026)**	(99,996)
Impairment losses on land use rights	**27,823**	–
Impairment losses on assets held for sale	**8,391**	–
Impairment losses on goodwill	**–**	8,841
Deferred tax recognised in respect of impairment losses	**39,007**	24,999
Adjusted profit for the year	**548,812**	615,561 (re-presented)

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

As disclosed in the Company's profit warning announcement dated 15 October 2026, impairment losses on financial assets and their deferred tax effects are no longer included in calculating adjusted profit. The comparative adjusted profit for the year ended 31 August 2025 has been re-presented on the same basis. This re-presentation relates only to the non-IFRS measure and does not change the Group's IFRS profit for that year.

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 Year, we provided comprehensive education service to approximately 60,000 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 Year, a total of 33 students from within and outside the Group won the first prize in the Provincial Competition of National League in the five major academic competitions, and 10 persons were selected for the provincial competition team and won two gold medals in the national finals. In 2026, 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 2026 Gaokao, 368 of our high school graduates received university acceptance letters from global top 50 universities in the Quacquarelli Symonds (QS) rankings. Among them, 64 students received offers from QS World Top 10 universities. Approximately 89.5% of the Group's Gaokao candidates at established schools exceeded the undergraduate admission score threshold for Chinese universities, and approximately 56% exceeded the special control score threshold.

Our Schools

With a strong presence in Sichuan province where the Group is based in, our school spans across Inner Mongolia, Shandong, Henan, Guizhou, Jiangxi, Zhejiang, Yunnan, Gansu, Anhui, Guangxi, Guangdong, Shaanxi, Shanghai, Chongqing and Hubei. During the Reporting Year, the Group principally provided students with comprehensive education services in 63 schools.

PRC-certified teachers are crucial to our business, allowing us to maintain the quality of our educational services while undergoing expansion. As of 31 August 2026, the number of full-time teachers employed by our self-owned schools was 2,485 (as of 31 August 2025: 2,610).

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 Year, the Group provided school management and franchise services for 23 entrusted schools.

REGULATORY UPDATES

The Implementation Rules for the Law for Promoting Private 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 define 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 stipulate that 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 further stipulates that laws such as the Company Law of the PRC and the Partnership Enterprise law of the PRC shall apply to the organizational form, corporate governance and activities standards of foreign invested enterprises. For foreign invested enterprises established before the implementation of the Foreign Investment Law may maintain their original organizational form for five years from 1 January 2020. Specific measures for implementation shall be formulated by the State Council. The Foreign Investment Law does not explicitly include clauses involving "actual control" or "contractual arrangements."

Nevertheless, the Company does not rule out the possibility that there will be further laws and regulations governing the same. Therefore, it remains uncertain as to whether the structure under contractual arrangements will be included in the supervisory regime for foreign investment, and if so, the ways under which it is governed. As at the date of this 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 31 August 2026:

Number	School name	Principal business
1	Luzhou Longmatan Tianli Elementary School *(Note 1)*	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 Xinpu 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 *(Note 1)*	Elementary school and Middle school
30	Chengdu Pidu Tianli School *(Note 1)*	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, the Group will continue to deepen the construction of the school quality system, satisfy the personalised education needs of more families with higher quality and diversified education services, and promote the absolute competitive advantage of the schools in the local area through all aspects and multiple dimensions. At the same time, the Company will also increase its efforts in streamlining administration and staff, and further enhance the Group's operational management efficiency and maintain steady operations through measures such as digital upgrade and process re-engineering.

In active response to the national call for digital education and to deeply explore quality improvement and efficiency enhancement of education services in the AI era, the Group has, after prudent consideration, established AI as a core strategic direction for future development. The Group's self-developed "Qiming AI Companion (啟鳴 AI 學伴)" large model successfully passed the national generative artificial intelligence service filing in June 2025. Integrating over 20 years of the Group's teaching content, this system now possesses comprehensive functional modules including personalised profile establishment, precise learning analysis, multi-modal teaching and explanation, and personalised homework correction.

Currently, the Group's AI series products primarily cover AI Bootcamp (AI 衝刺營), AI Intelligent Study Hub (AI 智習室), AI Classrooms (AI 課堂), and diverse further education guidance services. In the 2026 Gaokao, the Group's AI Bootcamp served approximately 2,500 students, representing an increase of approximately 150% compared to the number of students served in the 2025 Gaokao. According to statistics, 85% of the participating students achieved an improvement in their Gaokao results compared to their diagnostic level upon enrollment, with an overall average score increase of 57.91 points. Among them, students from self-operated schools achieved an average score increase of 59.64 points, with the highest score increase of 177 points for a single student, while students from external schools achieved an average score increase of 50.3 points, with the highest score increase of 233.5 points for a single student.

Looking ahead, the Group's AI smart education business will follow an "internal and external dual circulation" development model. Internally, through deep application within our school network, we can address the academic shortcomings among underperforming students, enhance the overall quality of schools, optimise the teacher-student ratio structure, and truly achieve cost reduction and efficiency improvement in operations. Externally, we will leverage our nationwide school network, resources, and brand reputation advantages to continuously expand external market presence and services, and by harnessing AI education capabilities, fortify the Company's competitive moat within the industry.

FINANCIAL REVIEW

Set out below includes the key highlights for the financial results for the year ended 31 August 2025 and the year ended 31 August 2026.

	Year ended 31 August 2026 ***RMB'000*** **(Audited)**	Year ended 31 August 2025 *RMB'000* (Audited)
Revenue	**3,836,007**	3,588,901
Cost of sales	**(2,615,491)**	(2,375,368)
GROSS PROFIT	**1,220,516**	1,213,533
Other income and gains	**27,640**	35,233
Selling and distribution expenses	**(86,583)**	(72,489)
Administrative expenses	**(295,658)**	(254,194)
Reversal of impairment losses on property, plant and equipment which were free-occupied by the Affected Business	**156,026**	99,996
Impairment losses on land use rights	**(27,823)**	–
Impairment losses on goodwill	**–**	(8,841)
Impairment losses on financial assets	**(14,658)**	(2,696)
Impairment losses on assets classified as held for sale	**(8,391)**	–
Other expenses	**(46,336)**	(45,042)
Finance costs	**(113,408)**	(124,822)
Share of profits of associates	**93**	900
PROFIT BEFORE TAX	**811,418**	841,578
Income tax expense	**(209,992)**	(193,448)
PROFIT FOR THE YEAR	**601,426**	648,130

Revenue

The following table sets forth an analysis of revenue for the year ended 31 August 2025 and the year ended 31 August 2026:

	Year ended 31 August 2026	Year ended 31 August 2025
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Comprehensive educational services	**1,908,144**	1,867,960
Sales of products	**1,211,295**	992,266
Comprehensive logistical services	**602,431**	613,048
Management and franchise fees	**114,137**	115,627
Total revenue	**3,836,007**	3,588,901

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

Our revenue increased by 6.9% from approximately RMB3,588.9 million for the year ended 31 August 2025 to approximately RMB3,836.0 million for the Reporting Year, primarily driven by the increase in revenue from the sales of products and comprehensive educational services.

The revenue from comprehensive educational services of the Group increased by 2.2% from approximately RMB1,868.0 million for the year ended 31 August 2025 to approximately RMB1,908.1 million for the Reporting Year, which is primarily due to the continuous promotion and application of the Group's AI series products, such as the AI Intelligent Study Hub and personalized digital homework. Usage of the Group's AI Products is chargeable to students, driving the steady growth of revenue from smart education services.

Revenue from the sales of products increased by 22.1% from approximately RMB992.3 million for the year ended 31 August 2025 to approximately RMB1,211.3 million for the Reporting Year, mainly due to the growth in agricultural and sideline products trading revenue. The Group consolidated supply chain resources, continuously enriched the supply chain product matrix, and leveraged the spare capacity of sales personnel in various regional sales divisions to actively expand customer resources and regional business layout.

The revenue from comprehensive logistical services decreased by 1.7% from approximately RMB613.0 million for the year ended 31 August 2025 to approximately RMB602.4 million for the Reporting Year, primarily due to a decrease in the number of students at the Group's self-owned schools.

The revenue from management and franchise fees decreased by 1.3% from approximately RMB115.6 million for the year ended 31 August 2025 to approximately RMB114.1 million for the Reporting Year, primarily due to a decrease in variable management fees recognized by certain entrusted management schools.

Costs of Principal Activities

The following table sets forth the components of our cost of sales for the year ended 31 August 2025 and the year ended 31 August 2026.

	Year ended 31 August 2026 *RMB'000*	Year ended 31 August 2025 *RMB'000*
Material consumption	**379,748**	474,367
Staff costs	**647,427**	517,162
Depreciation and amortization	**255,943**	260,597
Procurement cost of products	**1,104,514**	874,528
Teaching activity costs	**186,660**	207,308
Utilities	**26,480**	23,695
Others	**14,719**	17,711
Total	**2,615,491**	2,375,368

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 10.1% from approximately RMB2,375.4 million for the year ended 31 August 2025 to approximately RMB2,615.5 million for the Reporting Year, primarily due to a significant increase in the procurement cost of products.

Material consumption costs decreased by 19.9% from RMB474.4 million for the year ended 31 August 2025 to RMB379.7 million for the Reporting Year, primarily due to a decrease in the number of people provided with comprehensive logistical services by the Group and the Group promoting cost reduction and efficiency enhancement through the establishment of a closed-loop management system featuring "precise collection, dynamic adjustment and waste control".

Staff costs increased by 25.2% from RMB517.2 million for the year ended 31 August 2025 to RMB647.4 million for the Reporting Year, primarily due to i) personnel costs for the construction of the AI quality middle platform and the delivery of AI series products; ii) the corresponding increase in quality bonuses provisioned during the Reporting Year resulting from the significant improvement in the 2026 Gaokao results compared to 2025; and iii) personnel optimization related costs incurred from the simultaneous optimization and adjustment of the management structure and personnel allocation to ensure the stable retention of core personnel and implement incentives.

Procurement cost of products increased by 26.3% from RMB874.5 million for the year ended 31 August 2025 to RMB1,104.5 million for the Reporting Year, primarily due to the increase in procurement cost of products resulting from a 22.1% increase in revenue from the sale of products.

Teaching activity costs decreased by 10.0% from RMB207.3 million for the year ended 31 August 2025 to RMB186.7 million for the Reporting Year, primarily due to a decrease in the number of students at the Group's self-owned schools.

Utilities cost increased by 11.8% from RMB23.7 million for the year ended 31 August 2025 to RMB26.5 million for the Reporting Year, primarily due to a corresponding increase in water and electricity operating expenses resulting from the Group renting out campus venues to external parties and hosting events during the winter and summer holidays.

Gross Profit and Gross Profit Margin

The Group's gross profit for the Reporting Year was approximately RMB1,220.5 million, representing an increase of 0.6% from approximately RMB1,213.5 million for the year ended 31 August 2025, primarily due to the increase in revenue from comprehensive educational services. The Group's gross profit margin for the Reporting Year was approximately 31.8%, representing a decrease of 2.0 percentage points as compared with 33.8% for the year ended 31 August 2025, primarily because revenue from the sale of products increased by 22.1% and the procurement cost of products increased by 26.3%, and the gross profit margin of this business is lower than that of other services revenue.

Other Income and Gains

Other income and gains primarily consist of bank interest income, subsidy income, and gain on modification and termination of lease contracts.

Other income and gains decreased by 21.6% from approximately RMB35.2 million for the year ended 31 August 2025 to approximately RMB27.6 million for the Reporting Year, primarily because of the absence of gain on waiver of lease payables during the Reporting Year.

Selling and Distribution Expenses

Selling and distribution expenses amounted to approximately RMB86.6 million for the Reporting Year, compared with approximately RMB72.5 million for the year ended 31 August 2025. The change was mainly attributable to an increase in marketing personnel costs for the promotion of AI series products.

Administrative Expenses

Administrative expenses primarily consist of (i) administrative staff costs, (ii) equity-settled share option scheme expenses, (iii) research and development expenses, (iv) professional service fees, and (v) 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 increased by 16.3% from approximately RMB254.2 million for the year ended 31 August 2025 to approximately RMB295.7 million for the Reporting Year, primarily as a result of an increase in research and development expenses for AI series products and an increase in management consulting fees resulting from strategic upgrades as well as the preparation and operating expenses for the Hong Kong international school incurred during the Reporting Year.

Reversal of impairment losses on property, plant and equipment which were free-occupied by the Affected Business

As at 31 August 2021, the Group recognised impairment losses on property, plant and equipment and right-of-use assets of RMB1,085.2 million due to the 2021 Implementation Regulations and deconsolidation of the Affected Business. During the Reporting Year, the Group has obtained operating licenses on art training for certain tuition schools, which favourably improved the estimated service potential of the respective property, plant and equipment and right-of-use assets occupied by the Affected Business. During the Reporting Year, the Group recognised reversal of impairment losses on property, plant and equipment of approximately RMB156.0 million (2025: approximately RMB100.0 million) according to the impairment assessment performed. Details of assessment are set out in note 10 to the financial statements.

Impairment Losses on Land Use Rights

As at 31 August 2026, in view of the decline in land transaction prices, the Group identified impairment indicators for certain land use rights included in right-of-use assets. The Group performed the impairment assessments with reference to the valuation performed by an independent qualified professional valuer using either the direct comparison approach or the hypothetical development method. Based on the assessment, an impairment loss of RMB27.8 million (31 August 2025: Nil) was recognised for the Reporting Year.

Impairment Losses on Financial Assets

Impairment losses on financial assets primarily consist of impairment of trade receivables. An impairment analysis is performed by the Group at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. Impairment losses on financial assets increased from approximately RMB2.7 million for the year ended 31 August 2025 to approximately RMB14.7 million for the Reporting Year, which was mainly due to the increase in trade receivables and overdue payment for over one month.

Impairment Losses on Assets Classified as Held For Sale

On 10 April 2026, the Group entered into an equity transfer agreement to dispose of its entire interests in a subsidiary to an independent third party for a total consideration of RMB18.8 million. As at 31 August 2026, this disposal was classified as a disposal group held for sale as the disposal was in progress and expected to be completed within one year. The net carrying amount of the disposal group held for sale was RMB27.2 million. The Group reduced the carrying amount of the assets in the disposal group to their fair value less costs to sell, and recognised an impairment loss of RMB8.4 million.

Other Expenses

Other expenses increased by 2.9% from RMB45.0 million for the year ended 31 August 2025 to RMB46.3 million for the Reporting Year, primarily due to charitable donation expenditure in relation to the unexpected fire incident in Hong Kong.

Finance Costs

Finance costs decreased by 9.1% from RMB124.8 million for the year ended 31 August 2025 to RMB113.4 million for the Reporting Year, primarily due to the amortization of lease liabilities using the effective interest method, resulting in a gradual decrease in interest on lease financing over the lease term.

Income Tax

Income tax increased by 8.6% from approximately RMB193.4 million for the year ended 31 August 2025 to approximately RMB210.0 million for the Reporting Year, mainly due to the increase in the actual tax burden as the full tax exemption period under the "two-year exemption and three-year 50% reduction" corporate income tax policy for Sichuan Qiming Daren Technology Co., Ltd. ("**Sichuan Qiming**") expired during the Reporting Year and it entered the 50% tax reduction period after obtaining the "Double-soft Enterprise" qualification. The effective income tax rate for the year ended 31 August 2026 was 25.9% (for the year ended 31 August 2025: 23.0%).

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 31 August 2026, we had net current liabilities of approximately RMB2,601.7 million, as compared with net current liabilities of approximately RMB2,126.2 million as at 31 August 2025. Such increase in net current liabilities was primarily attributable to an increase in short-term bank loans.

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

As at 31 August 2026, the Group had cash and cash equivalents of approximately RMB756.4 million (31 August 2025: approximately RMB965.2 million). The following table sets forth a summary of our cash flows for the years indicated:

	Year ended 31 August 2026 ***RMB'000*** **(Audited)**	Year ended 31 August 2025 *RMB'000* (Audited)
Net cash flow from operating activities	**1,124,544**	852,592
Net cash flow used in investing activities	**(701,166)**	(531,969)
Net cash flow used in financing activities	**(631,945)**	(705,007)
Net decrease in cash and cash equivalents	**(208,567)**	(384,384)
Net effect of foreign exchange rates	**(307)**	608
Cash and cash equivalents at the beginning of year	**965,240**	1,349,016
Cash and cash equivalents at the end of year as stated in the consolidated statement of financial position and cash flows	**756,366**	965,240

BORROWINGS AND GEARING RATIO

As at 31 August 2026, the Group had borrowings of approximately RMB2,482.5 million (31 August 2025: RMB2,379.0 million) and the Group's unutilised banking facilities were approximately RMB1,193.2 million. The Group's bank borrowings, of which RMB601.2 million were at fixed interest rates, were primarily used in financing the working capital requirement of its operations and school constructions.

As at 31 August 2026, the gearing ratio of the Group, calculated as the total interest-bearing borrowings divided by the total assets, was approximately 24.3% (31 August 2025: approximately 23.9%).

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 31 August 2026, 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 placed 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

On 9 June 2026, Shenzhou Tianli Education Technology Group Co., Ltd. (神州天立教育科技集團有限公司), a subsidiary of the Company, entered into agreements to acquire a 10% equity interest in Tianlai Technology Group Co., Ltd. (天籟科技集團有限公司) for RMB104.0 million and to contribute RMB140.8 million of additional capital. Upon completion of both transactions, the Group would hold 51% of the target company. A conditional additional investment of RMB50.0 million would increase that interest to approximately 55.62%, bringing the maximum aggregate consideration and investment to RMB294.8 million. The transactions were disclosed as a discloseable transaction in the Company's announcement dated 9 June 2026, supplemented on 29 September 2026. As at 31 August 2026, the acquisition had not been completed. As at the date of this announcement, the acquisition of a 51% equity interest in the target company had been completed.

During the Reporting Year, the Group did not hold any significant investments (including any investment in an investee company with a value of 5 per cent. or more of the Group's total assets as at 31 August 2026). Save as disclosed above, the Group had no other significant investments held or material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Year. The Group will make every endeavor to keep abreast of the changing market conditions, proactively identify investment opportunities in order to broaden the revenue base of the Group, enhance its future financial performance and profitability. Moreover, the Group will gradually restructure its business into the provision of integrated operational services in relation to the development of people of the appropriate age, and seek generic strategic expansions through acquisitions of suitable targets. We are confident in the future and committed to continuous growth of the Company.

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 year ended 31 August 2026, our capital expenditures represented by the relevant cash outflows were approximately RMB587.7 million (the year ended 31 August 2025: approximately RMB403.6 million), which we funded primarily through cash generated from operations and bank facilities.

CONTINGENT LIABILITIES

As at 31 August 2026, the Group did not have any material contingent liabilities (31 August 2025: Nil).

CAPITAL COMMITMENTS

As at 31 August 2026, the Group had capital commitments contracted but not provided for property, plant and equipment amounting to approximately RMB7.1 million (31 August 2025: approximately RMB48.0 million).

SEGMENT INFORMATION

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2026

	Notes	**2026** ***RMB'000***	2025 *RMB'000*
REVENUE	*4*	**3,836,007**	3,588,901
Cost of sales		**(2,615,491)**	(2,375,368)
Gross profit		**1,220,516**	1,213,533
Other income and gains	*4*	**27,640**	35,233
Selling and distribution expenses		**(86,583)**	(72,489)
Administrative expenses		**(295,658)**	(254,194)
Reversal of impairment losses on property, plant and equipment which were free-occupied by the Affected Business	*6*	**156,026**	99,996
Impairment losses on land use rights	*6*	**(27,823)**	–
Impairment losses on goodwill	*6*	**–**	(8,841)
Impairment losses on financial assets	*6*	**(14,658)**	(2,696)
Impairment losses on assets classified as held for sale	*6*	**(8,391)**	–
Other expenses		**(46,336)**	(45,042)
Finance costs	*5*	**(113,408)**	(124,822)
Share of profits of associates		**93**	900
PROFIT BEFORE TAX	*6*	**811,418**	841,578
Income tax expense	*7*	**(209,992)**	(193,448)
PROFIT FOR THE YEAR		**601,426**	648,130

	Notes	2026 *RMB'000*	2025 *RMB'000*
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**1,965**	(86)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**603,391**	648,044
Profit attributable to:			
Owners of the Company		**609,346**	664,258
Non-controlling interests		**(7,920)**	(16,128)
		601,426	648,130
Total comprehensive income attributable to:			
Owners of the Company		**611,311**	664,172
Non-controlling interests		**(7,920)**	(16,128)
		603,391	648,044
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*9*		
Basic		**RMB29.65 cents**	RMB32.25 cents
Diluted		**RMB29.65 cents**	RMB31.86 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 AUGUST 2026

	Notes	**2026** ***RMB'000***	2025 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**5,066,995**	4,988,083
Right-of-use assets	*11(a)*	**2,763,498**	2,261,382
Goodwill	*12*	**97,624**	97,624
Other intangible assets		**29,239**	35,598
Investments in associates		**13,818**	13,725
Prepayments, deposits and other receivables	*14*	**130,959**	249,497
Deferred tax assets		**258,554**	301,479
Total non-current assets		**8,360,687**	7,947,388
CURRENT ASSETS			
Inventories		**13,843**	20,383
Trade receivables	*13*	**73,978**	41,568
Prepayments, deposits and other receivables	*14*	**160,785**	203,799
Amounts due from related parties		**792,185**	778,273
Financial assets at fair value through profit or loss		**49,713**	–
Assets classified as held for sale		**18,825**	–
Pledged and restricted deposits		**3,862**	1,594
Time deposits		**–**	9,782
Cash and cash equivalents		**756,366**	965,240
Total current assets		**1,869,557**	2,020,639
CURRENT LIABILITIES			
Trade payables	*15*	**87,803**	80,778
Other payables and accruals	*16*	**437,748**	365,377
Contract liabilities		**1,177,941**	1,299,544
Interest-bearing bank loans		**1,172,219**	755,365
Amounts due to related parties		**836,064**	1,030,044
Liabilities directly associated with the assets classified as held for sale		**25**	–
Tax payable		**274,853**	213,684
Lease liabilities	*11(b)*	**62,939**	53,135
Deferred income		**421,713**	348,910
Total current liabilities		**4,471,305**	4,146,837
NET CURRENT LIABILITIES	*2.1*	**(2,601,748)**	(2,126,198)
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,758,939**	5,821,190

	Notes	**2026** ***RMB'000***	2025 *RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities	*11(b)*	**254,276**	308,053
Deferred tax liabilities		**68,211**	67,602
Deferred income		**101,894**	177,184
Interest-bearing bank loans		**1,310,280**	1,623,660
Amounts due to related parties		**565,089**	681,664
Total non-current liabilities		**2,299,750**	2,858,163
NET ASSETS		**3,459,189**	2,963,027
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**178,032**	179,233
Treasury shares		**(17,536)**	(8,974)
Reserves		**3,319,388**	2,807,224
		3,479,884	2,977,483
Non-controlling interests		**(20,695)**	(14,456)
Total equity		**3,459,189**	2,963,027

1. CORPORATE AND GROUP INFORMATION

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

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

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

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain wealth management products and equity investment which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern

As at 31 August 2026, the Group recorded net current liabilities of approximately RMB2,601,748,000 (31 August 2025: RMB2,126,198,000). Included in the current liabilities as at 31 August 2026 were contract liabilities and deferred income of RMB1,177,941,000 (31 August 2025: RMB1,299,544,000) and RMB421,713,000 (31 August 2025: RMB348,910,000), respectively. The Group had cash and cash equivalents of RMB756,366,000 as at 31 August 2026 (31 August 2025: RMB965,240,000).

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

(a) Based on the arrangements and correspondences received from the licensed banks in the Chinese mainland, the Group has total unutilised banking facilities of RMB1,193,220,000 (31 August 2025: RMB1,372,125,000) which are available for drawdown within the next two to three years commencing from 31 August 2026; and

(b) The directors of the Company have reviewed the Group's cash flow forecast prepared by the management, which covers a period of not less than twelve months from 31 August 2026. In the opinion of the directors of the Company, the Group will have sufficient working capital to meet its financial obligations as and when they fall due and carry on its business without a significant curtailment of operation of not less than twelve months from 31 August 2026.

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 August 2026. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies, except where adjustments are made in respect of certain subsidiaries established in the PRC to change their annual reporting year end from 31 December to 31 August to conform with the Group's reporting period. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Amendments to IAS 28	*Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*[5]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 Effective for annual periods beginning on or after 1 January 2029
4 No mandatory effective date yet determined but available for adoption
5 Effective when an entity applies IFRS 18

The Group is currently working to identify all impacts of the above new and amended IFRS Accounting Standards will have on the primary financial statements and notes to the financial statements. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information. So far, the Group considers that these new and amended IFRS Accounting Standards may result in changes in accounting policies but are unlikely to have a significant impact on the Group's result of operation and financial position.

3. OPERATING SEGMENT INFORMATION

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

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

Entity-wide disclosures

Geographical information

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

Information about major customers

No revenue from a single customer amounted to 10% or more of the total revenue of the Group during the year (2025: Nil).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Comprehensive educational services	**1,908,144**	1,867,960
Sale of products	**1,211,295**	992,266
Comprehensive logistical services	**602,431**	613,048
Management and franchise fees	**114,137**	115,627
Total	**3,836,007**	3,588,901

Revenue from contracts with customers

(i) Disaggregated revenue information

	2026	2025
	RMB'000	*RMB'000*
Timing of revenue recognition		
Goods transferred at a point in time	**1,319,801**	1,093,943
Services transferred over time	**2,516,206**	2,494,958
Total	**3,836,007**	3,588,901

(ii) Performance obligations

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

Goods transferred at a point in time

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

Services transferred over time

Other than the Menu-ordering Canteen Operations, where goods are transferred at a point in time, the performance obligations for services are satisfied over time. This is because the customers simultaneously receive and consume the benefits provided by the Group.

The amounts of transaction prices allocated to the remaining performance obligations are part of the contracts that have an original expected duration of one year or less. Thus, management applied the practical expedient under IFRS 15 and did not disclose the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied.

An analysis of other income and gains is as follows:

	2026	2025
	RMB'000	*RMB'000*
Other income		
Government grants	**13,370**	7,886
Miscellaneous service income	**3,651**	2,450
Rental income	**2,812**	965
Bank interest income	**541**	2,925
Others	**1,451**	4,356
Total other income	**21,825**	18,582
Gains		
Gain on termination of leases	**3,497**	6,715
Gain on modification of leases	**2,315**	–
Gain on waiver of lease payable, net of deposit paid	**–**	9,106
Foreign exchange gains, net	**–**	830
Others	**3**	–
Total gains	**5,815**	16,651
Total other income and gains	**27,640**	35,233

5. FINANCE COSTS

An analysis of the Group's interest expenses is as follows:

	2026	2025
	RMB'000	*RMB'000*
Interest on bank loans	**100,099**	101,836
Interest on lease liabilities *(note 11(b))*	**14,692**	22,300
Total interest expenses on financial liabilities not at fair value through profit or loss	**114,791**	124,136
Less: Interest capitalised *(note 10(b))*	**(2,100)**	–
Subtotal	**112,691**	124,136
Other finance costs:		
Increase in discounted amounts of purchase obligations of non-controlling interests	**717**	686
Total	**113,408**	124,822
Interest rate of loan costs capitalised (%)	**3.50**	N/A

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	**2026** ***RMB'000***	2025 *RMB'000*
Cost of inventories consumed		**1,484,262**	1,348,896
Cost of services provided		**1,131,229**	1,026,472
Employee benefit expense (excluding directors' and chief executive's remuneration)			
Wages and salaries		**852,939**	685,524
Equity-settled share award scheme (reversal)/expenses		**(2,070)**	2,580
Equity-settled share option scheme expenses		**11,182**	13,403
Pension scheme contributions (defined contribution scheme)***		**46,137**	45,815
Welfare		**67,805**	69,847
Housing fund (defined contribution scheme)		**18,783**	18,719
Less: Government grants released*		**(165,783)**	(158,770)
Total		**828,993**	677,118
Depreciation of items of property, plant and equipment	*10*	**182,794**	187,384
Depreciation of right-of-use assets	*11(a)*	**103,146**	96,916
Amortisation of other intangible assets**		**9,171**	7,934
Reversal of impairment losses on property, plant and equipment which were free-occupied by the Affected Business	*10*	**(156,026)**	(99,996)
Impairment losses on land use rights	*11(a)*	**27,823**	–
Impairment losses on assets classified as held for sale		**8,391**	–
Loss on disposal of items of property, plant and equipment and right-of-use assets, net		**4,331**	1,141
Auditor's remuneration		**5,900**	5,600
Lease payments not included in the measurement of lease liabilities	*11(c)*	**12,848**	7,591
Research and development expenses		**40,576**	16,196
Impairment losses on goodwill		**–**	8,841
Impairment losses on financial assets		**14,658**	2,696
Equity-settled share option scheme expenses for a non-employee		**148**	504
Equity-settled share award scheme expenses for a non-employee		**4,184**	–
Bank interest income	*4*	**(541)**	(2,925)
Foreign exchange losses/(gains), net		**2,055**	(830)
Gain on termination of leases	*4*	**(3,497)**	(6,715)
Gain on modification of leases	*4*	**(2,315)**	–
Rental income	*4*	**(2,812)**	(965)

* Various government grants and subsidies have been received to subsidise the schools' operating expenditure. The government grants received have been deducted from the employee costs to which they relate. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

** The depreciation of items of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets, and employee benefit expense for the year are included in "cost of services provided", "selling and distribution expenses" and "administrative expenses" in profit or loss.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. INCOME TAX

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

	2026	2025
	RMB'000	*RMB'000*
Current – Chinese mainland		
Charge for the year	**167,253**	155,801
Overprovision in prior years	**(795)**	(550)
Deferred	**43,534**	38,197
Total	**209,992**	193,448

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

	Notes	**2026** ***RMB'000***	2025 *RMB'000*
Profit before tax		**811,418**	841,578
Tax at the applicable tax rates:			
16.5%	*(b)*	**(5,740)**	(1,269)
25%		**216,461**	212,318
Lower tax rates enacted by local authorities	*(c)*	**(57,153)**	(73,018)
Income not subject to tax		**(9,159)**	(6,229)
Tax losses utilised from previous years		**(11,792)**	(8,446)
Profits attributable to associates		**(23)**	(225)
Expenses not deductible for tax		**5,888**	5,550
Adjustments in respect of current tax of previous years		**(795)**	(550)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries		**–**	910
Tax losses not recognised		**72,305**	64,407
Tax charge at the Group's effective rate		**209,992**	193,448

Notes:

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

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

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

Under the "Western Development Policy", the income tax for subsidiaries, including Lixing Yanxue, Chengdu Daren Sport and Tibet Yongsi is calculated at a preferential tax rate of 15%. Among them, as Tibet Yongsi employed more than 70% of its workforce comprised permanent residents of Tibet, it was entitled to an exemption from the local portion of CIT (being 40% of the 15% tax rate) and therefore enjoyed 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, school sponsors and management consulting companies. Their taxable income is subject to PRC CIT at an effective rate of 5%.

Sichuan Qiming has been qualified as a "Double-soft Enterprise" and is entitled to a full exemption from PRC CIT for two years from the first profit-making year and a 50% reduction on CIT for the subsequent three years. Sichuan Qiming enjoyed a full exemption from PRC CIT from 1 September 2025 to 31 December 2025, and a 50% reduction of PRC CIT from 1 January 2026 to 31 August 2026.

(d) The share of tax attributable to associates amounting to RMB13,000 (2025: RMB16,000) is included in "share of profits of associates" in profit or loss.

8. DIVIDENDS

	2026	2025
	RMB'000	*RMB'000*
Proposed final – RMB2.63 cents (2025: RMB3.90 cents) per ordinary share	**54,928**	81,745
Interim – nil (2025: RMB5.78 cents) per ordinary share	**–**	121,893
Total	**54,928**	203,638

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

9. 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:

	2026	2025
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	**609,346**	664,258

	Number of shares ('000)	
	2026	2025
Shares		
Weighted average number of ordinary shares outstanding	**2,106,463**[#]	2,110,479[#]
Effect of the weighted average number of ordinary shares:		
Repurchased under the share award scheme	**(43,548)**	(56,030)
Treasury shares repurchased for cancellation	**(17,387)**	(29)
Weighted average number of vested ordinary shares granted under the share award plan	**9,800**	5,447
Adjusted weighted average number of ordinary shares used in the basic earnings per share calculation	**2,055,328**	2,059,867
Effect of dilution – weighted average number of ordinary shares:		
Share award scheme	**–**	2,891
Share options	**–**	21,981
Adjusted weighted average number of ordinary shares used in the diluted earnings per share calculation	**2,055,328**	2,084,739

[#] The weighted average number of shares was after taking into account the effect of treasury shares held.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 August 2026 in respect of a dilution for the shares under the share award scheme and share options under the share option scheme as the exercise prices were higher than the average market price of the Company during the year ended 31 August 2026.

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures *RMB'000*	Furniture and fixtures *RMB'000*	Leasehold improvements *RMB'000*	Devices and equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 August 2026						
At 1 September 2025:						
Cost	**6,067,817**	**198,145**	**208,688**	**186,227**	**49,488**	**6,710,365**
Accumulated depreciation and impairment	**(1,388,837)**	**(137,489)**	**(70,600)**	**(125,356)**	**–**	**(1,722,282)**
Net carrying amount	**4,678,980**	**60,656**	**138,088**	**60,871**	**49,488**	**4,988,083**
At 1 September 2025, net of accumulated depreciation and impairment	**4,678,980**	**60,656**	**138,088**	**60,871**	**49,488**	**4,988,083**
Additions	**–**	**5,468**	**22,299**	**17,299**	**81,013**	**126,079**
Impairment losses reversed to profit or loss *(note 6)*	**156,026**	**–**	**–**	**–**	**–**	**156,026**
Disposals	**(2,083)**	**(6,257)**	**(2,156)**	**(9,903)**	**–**	**(20,399)**
Depreciation provided during the year *(note 6)*	**(99,262)**	**(18,938)**	**(35,458)**	**(29,136)**	**–**	**(182,794)**
Transfer from construction in progress	**23,307**	**227**	**(287)**	**515**	**(23,762)**	**–**
At 31 August 2026, net of accumulated depreciation and impairment	**4,756,968**	**41,156**	**122,486**	**39,646**	**106,739**	**5,066,995**
At 31 August 2026:						
Cost	**6,088,858**	**186,042**	**230,700**	**173,854**	**106,739**	**6,786,193**
Accumulated depreciation and impairment	**(1,331,890)**	**(144,886)**	**(108,214)**	**(134,208)**	**–**	**(1,719,198)**
Net carrying amount	**4,756,968**	**41,156**	**122,486**	**39,646**	**106,739**	**5,066,995**

	Buildings and structures *RMB'000*	Furniture and fixtures *RMB'000*	Leasehold improvements *RMB'000*	Devices and equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 August 2025						
At 1 September 2024:						
Cost	5,993,150	186,008	198,936	171,674	54,427	6,604,195
Accumulated depreciation and impairment	(1,391,362)	(109,721)	(38,786)	(95,025)	–	(1,634,894)
Net carrying amount	4,601,788	76,287	160,150	76,649	54,427	4,969,301
At 1 September 2024, net of accumulated depreciation and impairment	4,601,788	76,287	160,150	76,649	54,427	4,969,301
Additions	–	9,570	9,549	10,884	77,668	107,671
Impairment losses reversed to profit or loss	99,996	–	–	–	–	99,996
Disposals	–	(484)	–	(1,017)	–	(1,501)
Depreciation provided during the year *(note 6)*	(97,471)	(27,768)	(31,814)	(30,331)	–	(187,384)
Transfer from construction in progress	74,667	3,051	203	4,686	(82,607)	–
At 31 August 2025, net of accumulated depreciation and impairment	4,678,980	60,656	138,088	60,871	49,488	4,988,083
At 31 August 2025:						
Cost	6,067,817	198,145	208,688	186,227	49,488	6,710,365
Accumulated depreciation and impairment	(1,388,837)	(137,489)	(70,600)	(125,356)	–	(1,722,282)
Net carrying amount	4,678,980	60,656	138,088	60,871	49,488	4,988,083

Notes:

(a) As at 31 August 2026, the Group was in the process of obtaining the relevant property ownership certificates for certain buildings with a net carrying amount of approximately RMB647,332,000 (31 August 2025: RMB695,769,000). The Group's buildings can only be sold, transferred or mortgaged when the relevant certificates have been obtained.

(b) Interest expenses capitalised as part of the cost of property, plant and equipment by the Group during the year amounted to RMB2,100,000 (2025: Nil) (note 5).

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

As at 31 August 2021, the Group recognised impairment losses on property, plant and equipment and right-of-use assets of RMB1,085,236,000 due to the 2021 Implementation Regulations and deconsolidation of the Affected Business. In accordance with the Group's accounting policies, each asset or CGU is evaluated annually at the end of the reporting period to determine whether there are any indicators of impairment or that previously recognised impairment losses no longer exist or have decreased. As at 31 August 2025, the accumulated impairment losses on property, plant and equipment and right-of-use assets amounted to RMB985,240,000.

During the year, the Group obtained operating licences on art training for certain tuition schools, which favourably improved the estimated service potential of the respective property, plant and equipment and right-of-use assets occupied by the Affected Business, management identified indicators that previously recognised impairment losses further decreased as at 31 August 2026.

In assessing whether there is an impairment or reversal of impairment, the carrying value of each of the CGUs is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal and value-in-use ("**VIU**"). For the purpose of the impairment assessment, property, plant and equipment and right-of-use assets occupied by the Affected Business and showing indications of reversal of impairment are treated as separate CGUs which represented three separate CGUs. The Group performed impairment assessments with reference to the valuation performed by an independent qualified professional valuer engaged by the Group on these assets based on VIU calculations using cash flow projections based on financial budgets approved by senior management. The pre-tax discount rates applied in the cash flow projections for CGU 1, CGU 2 and CGU 3 were 17.0%, 17.4% and 16.6%, respectively.

Based on the above-mentioned impairment assessments, the recoverable amounts, carrying amounts as at 31 August 2026 and the reversal of impairment losses allocated to each CGU are as follows:

	Recoverable amount *RMB'000*	**Carrying amount as if no impairment losses recognised in prior years** *RMB'000*	**Carrying amount** *RMB'000*	**Reversal of impairment losses** *RMB'000*
CGU 1	97,842	123,915	57,375	40,467
CGU 2	92,815	70,711	29,308	41,403
CGU 3	123,064	129,569	48,908	74,156
Total	**313,721**	**324,195**	**135,591**	**156,026**

11. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings and other premises used in its operations. Lump sum payments were made upfront to acquire the land use rights from the government with periods of 30 to 70 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings and other premises generally have lease terms between 2 and 20 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

	Buildings and other premises *RMB'000*	**Land use rights** *RMB'000*	**Total** *RMB'000*
At 31 August 2024	458,965	1,989,730	2,448,695
Additions	105,261	–	105,261
Depreciation charge *(note 6)*	(49,476)	(47,440)	(96,916)
Lease termination	(195,658)	–	(195,658)
At 31 August 2025 and 1 September 2025	319,092	1,942,290	2,261,382
Additions	28,984	662,814	691,798
Depreciation charge *(note 6)*	(50,180)	(52,966)	(103,146)
Lease termination	(26,073)	–	(26,073)
Lease modification	(4,526)	–	(4,526)
Disposal	–	(898)	(898)
Transfer to assets classified as held for sale	–	(27,216)	(27,216)
Impairment *(note 6)*	–	(27,823)	(27,823)
At 31 August 2026	267,297	2,496,201	2,763,498

As at 31 August 2026, in view of the decline in land transaction prices, the management of the Group identified an impairment indicator and performed the impairment assessments by determining the recoverable amounts of certain land use rights included in right-of-use assets. The recoverable amount of the land use rights is the higher of the fair value less costs of disposal and value-in-use.

The Group performed the impairment assessments with reference to the valuation performed by an independent qualified professional valuer engaged by the Group on such land use rights using the direct comparison approach which is based on the recent transaction prices for similar lands adjusted for differences in the nature and location under review or using the hypothetical development method which is based on the property's potential income once completed, deducting all remaining costs, holding expenses, and developer's profit to estimate the fair value less costs of disposal of the assets. Based on the impairment assessments, an impairment loss of RMB27,823,000 (31 August 2025: Nil) was recognised as at 31 August 2026.

(b) Lease liabilities

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

	2026	2025
	RMB'000	*RMB'000*
Carrying amount at beginning of year	**361,188**	480,114
New leases	**28,984**	105,261
Accretion of interest recognised during the year *(note 5)*	**14,692**	22,300
Payments	**(51,238)**	(33,996)
Waiver of lease payments	**–**	(10,118)
Lease modification	**(6,841)**	–
Lease termination	**(29,570)**	(202,373)
Carrying amount at end of year	**317,215**	361,188
Analysed into:		
Current portion	**62,939**	53,135
Non-current portion	**254,276**	308,053

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2026	2025
	RMB'000	*RMB'000*
Interest on lease liabilities *(note 5)*	**14,692**	22,300
Depreciation charge of right-of-use assets *(note 6)*	**103,146**	96,916
Expense relating to leases of low-value assets (included in cost of sales and administrative expenses)	**9,681**	4,260
Variable lease payments not included in the measurement of lease liabilities (included in cost of services provided)* *(note 6)*	**3,167**	3,331
Total amount recognised in profit or loss	**130,686**	126,807

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

The Group as a lessor

The Group leases certain schools' spaces under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB2,812,000 (2025: RMB965,000), details of which are included in note 4 to financial statements.

As at 31 August 2026, the undiscounted minimum lease payments receivable by the Group in future periods under operating leases with its tenants were as follows:

	2026	2025
	RMB'000	*RMB'000*
Within one year	**865**	1,148
After one year but within two years	**336**	903
After two years but within three years	**301**	330
After three years but within four years	**182**	347
After four years but within five years	**99**	246
After five years	**261**	360
Total	**2,044**	3,334

12. GOODWILL

The carrying amounts of goodwill as at 31 August 2026 and 2025 are as follows:

	2026	2025
	RMB'000	*RMB'000*
At beginning of year:		
Cost	**106,465**	106,465
Accumulated impairment	**(8,841)**	–
Net carrying amount	**97,624**	106,465
Cost at beginning of year, net of accumulated impairment	**97,624**	106,465
Impairment during the year *(note 6)*	**–**	(8,841)
At end of year	**97,624**	97,624
At end of year:		
Cost	**106,465**	106,465
Accumulated impairment	**(8,841)**	(8,841)
Net carrying amount	**97,624**	97,624

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following CGUs for impairment testing:

- Shanghai Heru Education Technology Company Limited CGU ("**Heru Education CGU**");
- Kinderworld Kindergarten CGU; and
- FARMILY CGU.

The carrying amounts of goodwill allocated to each of these CGUs are as follows:

	2026	2025
	RMB'000	*RMB'000*
Heru Education CGU	**85,798**	85,798
Kinderworld Kindergarten CGU	**7,572**	7,572
FARMILY CGU	**4,254**	4,254
Total	**97,624**	97,624

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

Assumptions were used in the value in use calculation of the above CGUs as at 31 August 2026. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

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

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

	2026	2025
Heru Education CGU	**13.9%**	12.7%
Kinderworld Kindergarten CGU	**14.1%**	13.4%
FARMILY CGU	**11.2%**	10.7%

The values assigned to the key assumptions on market development of the CGUs and discount rates are consistent with external information sources.

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

For the Heru Education CGU, the headroom was RMB10,919,000 as at 31 August 2026. If the number of student intake in the subsequent years of the forecast period dropped by 4.2%, or the pre-tax discount rate increased from 13.9% to 15.1% while other parameters remain constant, the carrying amount of the CGU would be equal to its recoverable amount.

For the Kinderworld Kindergarten CGU, the headroom was RMB1,661,000 as at 31 August 2026. If the number of student intake in the subsequent years of the forecast period dropped by 4.2%, or the pre-tax discount rate increased from 14.1% to 18.8% while other parameters remain constant, the carrying amount of the CGU would be equal to its recoverable amount.

For the FARMILY CGU, the headroom was RMB1,056,000 as at 31 August 2026. If the number of student intake in the subsequent years of the forecast period dropped by 7.6%, or the pre-tax discount rate increased from 11.2% to 13.4% while other parameters remain constant, the carrying amount of the CGU would be equal to its recoverable amount.

13. TRADE RECEIVABLES

	2026	2025
	RMB'000	*RMB'000*
Trade receivables	**87,030**	43,431
Impairment	**(13,052)**	(1,863)
Net carrying amount	**73,978**	41,568

Trade receivables mainly represented receivables from sale of products and management and franchise fees. Advance payment is normally required for sale of products, except for certain customers with credit terms. The credit period is generally one month for customers. There is no fixed credit term for management and franchise fee payments. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of customers' acceptance and net of loss allowance, is as follows:

	2026	2025
	RMB'000	*RMB'000*
From sale of products		
Within 3 months	**9,945**	11,772
3 to 6 months	**4,126**	1,352
6 to 9 months	**3,631**	882
9 to 12 months	**78**	79
Subtotal	**17,780**	14,085
From management and franchise fees		
Within 1 year	**35,712**	23,121
1 to 2 years	**18,810**	2,000
2 to 3 years	**1,676**	2,362
Subtotal	**56,198**	27,483
Total	**73,978**	41,568

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

	2026	2025
	RMB'000	*RMB'000*
At beginning of year	**1,863**	–
Impairment losses, net	**11,189**	1,863
At end of year	**13,052**	1,863

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables from sale of products using a provision matrix:

As at 31 August 2026

	Ageing					
	Within 3 months	**3 to 6 months**	**6 to 9 months**	**9 to 12 months**	**Over 12 months**	**Total**
Expected credit loss rate	**4.43%**	**20.47%**	**52.74%**	**69.64%**	**100.00%**	**32.12%**
Gross carrying amount *(RMB'000)*	**10,406**	**5,188**	**7,683**	**258**	**2,658**	**26,193**
Expected credit losses *(RMB'000)*	**461**	**1,062**	**4,052**	**180**	**2,658**	**8,413**

As at 31 August 2025

	Ageing					
	Within 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Over 12 months	Total
Expected credit loss rate	2.02%	12.32%	30.28%	84.33%	100.00%	11.68%
Gross carrying amount *(RMB'000)*	12,015	1,542	1,265	504	622	15,948
Expected credit losses *(RMB'000)*	243	190	383	425	622	1,863

Set out below is the information about the credit risk exposure on the Group's trade receivables from management and franchise fees using a provision matrix:

As at 31 August 2026

	Ageing				
	Within 1 year	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**5.91%**	**8.27%**	**16.19%**	**100.00%**	**7.63%**
Gross carrying amount *(RMB'000)*	**37,955**	**20,506**	**2,000**	**376**	**60,837**
Expected credit losses *(RMB'000)*	**2,243**	**1,696**	**324**	**376**	**4,639**

During the year ended 31 August 2025, the trade receivables from management and franchise fees of RMB27,483,000 were subject to impairment assessment under the general approach and the impairment was considered to be minimal.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2026	2025
	RMB'000	*RMB'000*
Current portion:		
Prepayments	**65,103**	55,183
Advances to staff	**29,633**	28,641
Advances to local government	**32,394**	26,394
Security deposits	**14,652**	21,699
Deductible input value-added tax and prepaid income tax	**9,892**	14,828
Other receivables	**13,393**	10,889
Receivables from disposal of shares held under the share award scheme	**–**	46,978
Impairment allowance	**(4,282)**	(813)
Subtotal	**160,785**	203,799
Non-current portion:		
Prepayments for acquisition of subsidiaries	**80,000**	–
Deductible input value-added tax and prepaid income tax	**38,585**	48,624
Prepaid rental deposits	**11,852**	–
Prepayments for property, plant and equipment	**522**	850
Prepayments for the acquisition of land use rights	**–**	200,023
Subtotal	**130,959**	249,497
Total	**291,744**	453,296

The Group has applied the general approach to provide for expected credit losses for the financial assets included in prepayments, deposits and other receivables under IFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

15. TRADE PAYABLES

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

	2026	2025
	RMB'000	*RMB'000*
Within 3 months	**71,433**	64,999
3 to 6 months	**15,676**	4,728
Over 6 months	**694**	11,051
Total	**87,803**	80,778

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

Financial liabilities that are part of the Group's supplier finance arrangements included in interest-bearing bank loans are normally settled within one year.

16. OTHER PAYABLES AND ACCRUALS

	2026	2025
	RMB'000	*RMB'000*
Accrued bonuses and other employee benefits	**97,364**	67,317
Payables for purchase of property, plant and equipment	**80,624**	81,017
Performance deposits from suppliers	**55,732**	34,258
Miscellaneous advances from students*	**36,251**	31,100
Interest payable	**8,734**	9,099
Advances received from the restricted share award scheme	**4,536**	12,572
Payables for acquisition of subsidiaries	**6,000**	6,000
Advances received from disposal of a subsidiary	**4,000**	–
Other payables and accrued expenses	**144,507**	124,014
Total	**437,748**	365,377

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

Other payables are non-interest-bearing and have no fixed terms of settlement.

17. EVENTS AFTER THE REPORTING PERIOD

On 9 June 2026, the Group entered into a series of agreements with third parties and Tianlai Technology Group Co., Ltd. ("**Tianlai Technology**") to acquire 51% equity interest in Tianlai Technology for a total cash consideration of RMB244,800,000, by way of equity transfer and additional capital injection. Pursuant to the investment agreement, the Group will undertake to make a further capital injection of RMB50,000,000 to Tianlai Technology once certain rectification matters have been completed. Upon completion of the additional investment, the Group's shareholding in Tianlai Technology will further increase to 55.62%. Particulars of the acquisition can be referred to the Company's announcements dated 9 June 2026 and 29 September 2026.

Tianlai Technology and its subsidiaries are principally engaged in art-featured education services. The acquisition aims to expand into the art entrance exam training market, create featured education brands, focus on cultivating top-notch talents, build a diversified student placement system and achieve market complementarity so as to broaden the Group's development opportunities.

The Group completed the acquisition of Tianlai Technology in September 2026. Because the acquisition of Tianlai Technology was effected shortly before the date of approval of these financial statements, it is impracticable at this moment to disclose further information about the acquisition.

FINAL DIVIDEND

The Board did not declare an interim dividend for the six months ended 28 February 2026 (six months ended 28 February 2025: RMB5.78 cents per Share).

The Board recommends the payment of a final dividend of RMB2.63 cents (equivalent to 3.07 HK cents, according to the central parity rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on 27 November 2026, i.e. RMB0.8558 equivalent to HKD1.00) (Year ended 31 August 2025: RMB3.90 cents) per Share for the year ended 31 August 2026 to be paid on Friday, 12 March 2027 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 3 March 2027, representing a dividend payout of approximately RMB54.9 million (equivalent to approximately HKD64.1 million) (based on the number of issued Shares as at the date of this announcement, excluding 7,500,000 treasury Shares). The recommendation of payment of the final dividend is subject to the Shareholders' approval at the forthcoming AGM of the Company.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Tuesday, 23 February 2027, the register of members of the Company will be closed from Thursday, 18 February 2027 to Tuesday, 23 February 2027, both days inclusive, during which period no transfer of Shares will be registered. In order to be qualified for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company'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 Wednesday, 17 February 2027.

For determining the entitlement to the proposed final dividend (subject to the approval by Shareholders at the AGM) for the year ended 31 August 2026, the register of members of the Company will be closed from Saturday, 27 February 2027 to Wednesday, 3 March 2027, both days inclusive, during which period no transfer of Shares will be registered. In order to be qualified for the proposed final 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, 26 February 2027.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 August 2026, the Group employed 5,628 employees (as at 31 August 2025: 6,096).

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 26 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 2 December 2025, the Company granted an aggregate of 12,000,000 share options (where each share option shall entitle the relevant grantee to subscribe for one Share) to eligible participants pursuant to the Share Option Scheme. For further details, please refer to the announcement of the Company dated 2 December 2025.

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

During the year ended 31 August 2026, the Company repurchased a total of 18,055,000 Shares ("**Shares Repurchased**") on the Stock Exchange, at an aggregate consideration of HKD55,763,726 (inclusive of the payment of trading fees, levies and commissions). 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 Highest** *(HKD)*	**Price paid per Share Lowest** *(HKD)*	**Aggregate consideration** *(HKD)*
September 2025	10,555,000	3.82	3.08	36,141,388
December 2025	1,000,000	2.38	2.24	2,313,324
January 2026	3,200,000	2.83	2.41	8,591,877
February 2026	3,300,000	2.79	2.49	8,717,137
Total	18,055,000			55,763,726

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 Year. As at 31 August 2026, the Company held 7,500,000 shares which have been repurchased and retained as treasury shares. The treasury shares are intended to be used for employee incentives, sale or transfer to obtain liquidity and other purposes, subject to the actual decision of the Board.

On 16 June 2026, the Company cancelled 13,227,000 Shares, comprising 10,555,000 Shares repurchased in September 2025 and 2,672,000 Shares repurchased in August 2025.

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 year ended 31 August 2026.

CORPORATE GOVERNANCE

During the year ended 31 August 2026, the Company has complied with all applicable code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules, save and except for 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 year ended 31 August 2026. 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.

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 3.22 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 and reviewed the annual results and the consolidated financial statements of the Group for the year ended 31 August 2026.

SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITORS

The financial information set out in this announcement does not constitute the Group's audited accounts for the year ended 31 August 2026, but represents an extract from the consolidated financial statements for the year ended 31 August 2026 which have been audited by the auditor of the Company, Ernst & Young, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The financial information has been reviewed by the Audit Committee and approved by the Board.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed public float under the Listing Rules during the year ended 31 August 2026.

EVENTS AFTER THE REPORTING YEAR

Save as disclosed in note 17 to the financial statements , there were no other significant events of the Group after 31 August 2026 and up to the date of this announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of HKEXnews at www.hkexnews.hk and the website of the Company at www.tianlieducation.com. The annual report of the Group for the year ended 31 August 2026 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:

"AGM"	annual general meeting of the Company scheduled to be held on Tuesday, 23 February 2027
"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 Year"	the period for the year ended 31 August 2026
"Restricted Share Award Scheme"	the restricted share award scheme for the award of Shares to eligible participants, adopted by the Company on 17 December 2018, pursuant to the announcement made by the Company on 17 December 2018
"RMB"	Renminbi yuan, the lawful currency of the PRC
"Selected Participants"	eligible persons selected by the Board or authorized administrators to be granted the share awards under the Restricted Share Award Scheme at its sole discretion
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of HKD0.1 each
"Share Option Scheme"	the share option scheme of our Company, adopted pursuant to a resolution of our Shareholders on 24 June 2018, the principal terms of which are summarized in the section headed "Statutory and General Information – E. Share Option Scheme" in Appendix V to the Prospectus
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Trustee"	THE CORE TRUST COMPANY LIMITED (匯聚信託有限公司) (which is independent of and not connected with the Company), being appointed by the Company for the administration of the Restricted Share Award Scheme, or any additional or replacement trustee(s)

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

The PRC, 27 November 2026

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.