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天立國際控股有限公司
Tianli International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01773)

DISCLOSEABLE TRANSACTION ACQUISITION OF EQUITY INTEREST AND CAPITAL INCREASE IN THE TARGET COMPANY

EQUITY TRANSFER AGREEMENT

On 9 June 2026 (after trading hours), Shenzhou Tianli Education Technology Group Co., Ltd.* (神州天立教育科技集團有限公司) (the “**Purchaser**”), a subsidiary of the Company, entered into the Equity Transfer Agreement with the Target Company, Chongqing Yuwuxing Logistics Industry Private Equity Investment Fund Partnership (Limited Partnership)* (重慶渝物興物流產業私募股權投資基金合夥企業(有限合夥)) (“**Transferor 1**”) and Zhang Meng (張萌) (“**Transferor 2**”, Transferor 1 and Transferor 2 collectively referred to as the “**Transferors**”), pursuant to which the Purchaser agreed to purchase and the Transferors agreed to sell an aggregate of 10% equity interest (the “**Transferred Equity**”) in Tianlai Technology Group Co., Ltd.* (天籟科技集團有限公司) (the “**Target Company**”) at an aggregate consideration of RMB104,000,000.

INVESTMENT AGREEMENT

On 9 June 2026 (after trading hours), the Purchaser entered into the Investment Agreement with the Target Company, the Existing Shareholders of the Target Company and shareholders of the Existing Shareholders of the Target Company, pursuant to which the Purchaser agreed to make a capital increase in the amount of RMB140,800,000 to the Target Company to subscribe for the new registered capital of the Target Company (the “**Investment**”).

Upon completion of the acquisition of equity interest and capital increase in the Target Company, 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, will hold an aggregate of 51% equity interest in the Target Company, and the Target Company shall become a subsidiary of the Company. The financial statements of the Target Company shall be consolidated into the Group’s financial statements.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the acquisition and capital increase (including the Additional Investment (if any)) contemplated under the Equity Transfer Agreement and the Investment Agreement is more than 5% but all applicable percentage ratios are less than 25%, the entering into of the Equity Transfer Agreement and the Investment Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but is exempt from the Shareholders' approval requirement.

As completion of the above transactions is conditional upon fulfilment of the conditions precedent set out in the respective agreements, the above transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

On 9 June 2026 (after trading hours), the Purchaser entered into the Equity Transfer Agreement with the Transferors and the Target Company, and the Investment Agreement with the Target Company, the Existing Shareholders of the Target Company and shareholders of the Existing Shareholders of the Target Company, respectively. The principal terms of the Equity Transfer Agreement and the Investment Agreement are summarized below.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarized below:

Date	9 June 2026 (after trading hours)
Parties	
Purchaser:	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
Transferor 1:	Chongqing Yuwuxing Logistics Industry Private Equity Investment Fund Partnership (Limited Partnership)* (重慶渝物興物流產業私募股權投資基金合夥企業(有限合夥))
Transferor 2:	Zhang Meng (張萌)
Target Company:	Tianlai Technology Group Co., Ltd.* (天籟科技集團有限公司)

Transferred Equity to Be Acquired

The Transferred Equity held by the Transferors represent an aggregate of 10.00% equity interest in the Target Company, of which Transferor 1 holds 9.90% equity interest in the Target Company (corresponding to a registered capital of RMB3,300,000) and Transferor 2 holds 0.10% equity interest in the Target Company (corresponding to a registered capital of RMB33,333).

Consideration and Payment Terms

Pursuant to the terms of the Equity Transfer Agreement, the Purchaser agreed to purchase and the Transferors agreed to sell the Transferred Equity at an aggregate consideration of RMB104,000,000, of which RMB102,960,000 is payable to Transferor 1 and RMB1,040,000 is payable to Transferor 2.

The consideration will be paid in four instalments by bank transfer:

- (1) First instalment: RMB20,000,000, to be paid within 10 business days after the effectiveness of the Equity Transfer Agreement;
- (2) Second instalment: RMB20,000,000, to be paid by the later of: (i) 10 business days after the completion of the industrial and commercial change registration for the transfer of equity interest; or (ii) 31 August 2026;
- (3) Third instalment: RMB30,000,000, to be paid before 31 December 2026 (inclusive);
- (4) Fourth instalment: RMB34,000,000, to be paid before 31 March 2027 (inclusive).

Closing of Equity Transfer

Within 5 days after the payment of the first instalment of the consideration by the Purchaser, the parties shall proceed with the closing of the Equity Transfer (the “**Closing of Equity Transfer**”, and the date on which all the following closing procedures are completed shall be the “**Closing Date of Equity Transfer**”), which includes:

- (1) the Target Company convening a shareholders’ meeting to consider and approve the resolution on the amendment to the articles of association; and
- (2) the Target Company issuing a capital contribution certificate and the amended register of shareholders to the Purchaser, stating that the Purchaser has been registered as the shareholder holding the Transferred Equity.

From the Closing Date of Equity Transfer, all transferred equity and the corresponding shareholders’ rights and interests shall be transferred to and enjoyed by the Purchaser, and the Purchaser may exercise all shareholders’ rights and assume the corresponding shareholders’ obligations as a shareholder of the Target Company.

Within 10 days after the Closing Date of Equity Transfer, the parties shall cooperate with the Target Company to complete the industrial and commercial change registration with the local market supervision and administration authority.

Liability for Breach of Contract

Each party shall strictly comply with the provisions of the Equity Transfer Agreement. Any breach of any representation, warranty, undertaking, obligation or liability under the Equity Transfer Agreement by any party shall constitute a breach of contract. The non-defaulting party shall have the right to require the defaulting party to compensate for all economic losses caused to the non-defaulting party by its breach.

The rescission or termination of the Equity Transfer Agreement for any reason shall not affect the validity of the liability for breach of contract and dispute resolution clauses under the Equity Transfer Agreement.

If, due to the failure of the Transferors to perform the cooperation obligations, the Target Company fails to issue the register of shareholders or convene a shareholders' meeting to amend the articles of association in accordance with the Equity Transfer Agreement, resulting in the Purchaser being unable to consolidate the financial statements of the Target Company, or fails to complete the industrial and commercial change registration by 31 August 2026 as agreed, the Purchaser shall have the right to suspend the payment of the subsequent equity transfer consideration and require the Transferors to pay interest on the occupied funds at a rate of 0.03% of the equity transfer consideration paid by the Purchaser for each day of delay until the above obligations are fulfilled; if the delay exceeds 15 days, the Purchaser shall have the right to rescind this agreement and require the Transferors to return the paid equity transfer consideration.

If, after the satisfaction of the payment conditions for any instalment of the equity transfer consideration as agreed in the Equity Transfer Agreement, the Purchaser fails to pay such instalment within the agreed period, the Transferors shall have the right to require the Purchaser to pay liquidated damages to the Transferors at a rate of 0.03% of the Purchaser's due and unpaid instalment of the equity transfer consideration for each day of delay.

INVESTMENT AGREEMENT

The principal terms of the Investment Agreement are summarized below:

Date	9 June 2026 (after trading hours)
Parties	
Investor (Purchaser):	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
Target Company:	Tianlai Technology Group Co., Ltd.* (天籟科技集團有限公司)
Existing Shareholder Chongqing Huajing:	Chongqing Huajing Industrial Co., Ltd.* (重慶華旌實業有限責任公司) (“ Chongqing Huajing ”)
Existing Shareholder Chongqing Tianyun:	Chongqing Tianyun Enterprise Management Consulting Partnership (Limited Partnership)* (重慶天韻企業管理諮詢合夥企業(有限合夥)) (“ Chongqing Tianyun ”)
Shareholders of the Existing Shareholders:	Tang Hongwei (唐宏偉), Zhang Yun (張雲), Gong Bin (龔彬) and Wu Xianwen (伍賢文) hold 60%, 30%, 5% and 5% equity interest in Chongqing Huajing, respectively; Tang Hongwei (唐宏偉), Zhang Yun (張雲), Gong Bin (龔彬) and Wu Xianwen (伍賢文) hold 75%, 15%, 5% and 5% partnership interest in Chongqing Tianyun, respectively, and Wu Xianwen acts as the executive partner of Chongqing Tianyun

Amount of Capital Increase and Shareholding Structure upon Completion

The parties agreed that the Purchaser will make a capital increase in the amount of RMB140,800,000 (the “**Amount of Capital Increase**”) to the Target Company in accordance with the terms and conditions of the Investment Agreement, and the Target Company agreed to accept the Purchaser as a new shareholder to make the capital increase.

Upon completion of the Equity Transfer Agreement and the Investment Agreement, the Purchaser will hold an aggregate of 51% equity interest in the Target Company (including the 10% equity interest acquired under the Equity Transfer Agreement).

Payment Terms

The Amount of Capital Increase will be paid to the designated bank account of the Target Company in three instalments by bank transfer:

- (1) First instalment: RMB20,000,000, to be paid within 10 business days after the signing of the Investment Agreement;
- (2) Second instalment: RMB45,000,000, to be paid on the later of: (i) 10 business days after all conditions precedent set out in the Investment Agreement are fulfilled (or waived in writing by the Purchaser) and the Closing is completed; or (ii) 31 August 2026;
- (3) Third instalment: RMB75,800,000, to be paid on the later of: (i) 10 business days after all conditions precedent to the third instalment payment set out in the Investment Agreement are fulfilled (or waived in writing by the Purchaser); or (ii) 30 November 2026.

Conditions Precedent to the Investment

The continuation of the Investment Agreement is conditional upon the fulfilment (or waiver in writing by the Purchaser) of the conditions precedent, including, among others:

- (1) the parties having executed all necessary transaction documents, including but not limited to the Investment Agreement and the amended articles of association of the Target Company (collectively, the “**Transaction Documents**”);
- (2) the parties having obtained all necessary governmental approvals, permits, registrations, filings and third-party consents in respect of the investment in accordance with the PRC laws and regulations, and having performed the corresponding procedures or formalities;
- (3) the Target Company, the Existing Shareholders of the Target Company and the shareholders of the Existing Shareholders of the Target Company:
 - (a) having obtained the written consent of creditors such as banks and other financial institutions in respect of the investment (or having performed the necessary notification obligations to them); or
 - (b) having made adjustment measures approved in advance by the Purchaser in response to the requests made by creditors such as banks and other financial institutions;

- (4) the parties having obtained the approval and consent of their respective internal decision-making bodies (shareholders' meeting and/or board of directors) in respect of the investment, and having obtained the written confirmation from other shareholders of the Target Company to waive their pre-emptive rights in respect of the investment;
- (5) the representations and warranties made by the parties in the Investment Agreement and other Transaction Documents being true, accurate, complete and not misleading as at the date of signing and the Closing Date;
- (6) the Equity Transfer Agreement having been signed and become effective, and the industrial and commercial change registration procedures under the Equity Transfer Agreement having been completed;
- (7) a series of compliance rectification matters of the Target Group having been completed, including but not limited to the withdrawal from certain designated investment entities, the completion of the adjustment of equity holding on behalf of others, the completion of the paid-in registered capital of designated companies and other related arrangements;
- (8) the Existing Shareholders of the Target Company and the shareholders of the Existing Shareholders of the Target Company having completed the signing of the non-competition undertaking letter approved by the Purchaser;
- (9) all governmental approvals, licenses, certificates, registrations, filings and qualifications necessary for the Target Group to conduct its business having been obtained in accordance with the law and remaining valid; and
- (10) the Existing Shareholders of the Target Company and the shareholders of the Existing Shareholders of the Target Company having issued the closing confirmation letter to the Purchaser, confirming that all conditions precedent to the Investment have been satisfied.

If all conditions precedent to the Investment are not fulfilled (or waived in writing by the Purchaser) within 90 days from the date of signing of the Investment Agreement (or such extended period as otherwise confirmed in writing by the parties), the Purchaser shall have the right to elect to terminate the Investment Agreement and other Transaction Documents without assuming any liability.

Conditions Precedent to the Third Instalment Payment

The payment of the third instalment of the capital increase is subject to further conditions precedent, including (among others) the following matters:

- (1) the standardized rectification of the joint venture agreements entered into between the Target Group (including its related parties) and the partners having been completed to the satisfaction of the Purchaser;
- (2) Jiaying Yinyue Youth Art Center Co., Ltd.* (嘉興音悦青少年藝術中心有限公司) having completed the designated equity adjustment in accordance with the agreement;
- (3) all governmental approvals, permits, certificates, registrations, filings and qualifications necessary for the Target Group to conduct its business having been legally obtained and remaining valid;

- (4) the Target Group having entered into legally valid lease contracts with the property owners or authorized lessors in respect of its leased properties, and such lease contracts remaining valid; and
- (5) the Target Company having changed the name of the registrant of all registered trademarks held by it to Tianlai Technology Group Co., Ltd.* (天籟科技集團有限公司).

If the above conditions precedent to the third instalment payment are not fully fulfilled (or waived in writing by the Purchaser) before 30 November 2026, the Purchaser shall have the right to correspondingly delay the payment of the third instalment of the capital increase until the date when all conditions are fulfilled. If the conditions cannot be fulfilled before 31 January 2027 due to the reasons of the Existing Shareholders of the Target Company or the Target Company, the Purchaser shall have the right to elect to terminate the Investment Agreement, and shall no longer pay the third instalment of the capital increase, and shall have the right to hold the defaulting party liable.

Closing of Investment

Within 3 business days (or such other date as agreed in writing by the parties) after the conditions precedent to the investment are fulfilled (or waived in writing by the Purchaser), the closing procedures of the investment shall commence (the “**Closing**”, and the date on which all closing procedures are completed shall be the “**Closing Date**”).

Closing of the Investment includes: (1) the parties having completed the industrial and commercial change registration in respect of the Investment in accordance with the law, showing that the Purchaser has been registered as the shareholder holding 51% equity interest in the Target Company (including the 10% equity interest acquired through the Equity Transfer Agreement), and the latest articles of association, register of shareholders, directors, supervisors and senior management and legal representative of the Target Company having completed the industrial and commercial filing; and (2) handing over the documents and data related to the financial control of the Target Company and the financial control rights.

From the Closing Date, the Purchaser shall become the shareholder holding 51% equity interest in the Target Company, and the Purchaser and other shareholders of the Target Company shall enjoy and assume the corresponding shareholders’ rights and shareholders’ obligations in accordance with the provisions of the Investment Agreement and the new articles of association.

Performance Guarantees

(1) Performance guarantee targets

The performance guarantee period is from 1 March 2027 to 31 August 2028 (hereinafter referred to as the “**Performance Guarantee Period**”). To this end, Chongqing Huajing and its shareholders (hereinafter collectively referred to as the “**Guarantors**”) guarantee to the Purchaser that: (1) from 1 March 2027 to 31 August 2027, the audited net profit attributable to the parent of the Target Company on a consolidated basis shall not be less than RMB30 million (hereinafter referred to as the “**Half-year Performance Guarantee Target**”); from 1 September 2027 to 31 August 2028, the cumulative audited net profit attributable to the parent of the Target Company on a consolidated basis shall not be less than RMB60 million (hereinafter referred to as the “**Annual Performance Guarantee Target**”).

(2) Performance guarantee assessment

After the expiration of the Performance Guarantee Period, the Target Company shall entrust the annual auditor of the Company to issue an audit report on the realization of the guaranteed performance of the Target Company during the Performance Guarantee Period (hereinafter referred to as the “**Audit Report**”), which shall audit and confirm the audited net profit attributable to the parent of the Target Company on a consolidated basis realized during the Performance Guarantee Period. If the cumulative audited net profit attributable to the parent of the Target Company on a consolidated basis during the Performance Guarantee Period exceeds RMB90 million (hereinafter referred to as the “**Total Performance Guarantee Target**”) or the adjusted amount of the Total Performance Guarantee Target based on the Investment Agreement and the supplementary agreement (if any), both the Half-year Performance Guarantee Target and the Annual Performance Guarantee Target shall be deemed to have been completed, otherwise they shall be deemed to have not been completed.

(3) Performance guarantee compensation

If the Target Company fails to complete the Total Performance Guarantee Target on schedule, the Guarantors shall make a shortfall performance compensation to the Purchaser, and the corresponding compensation calculation standard is as follows:

$$\text{Compensation amount} = \frac{\text{Total Performance Guarantee Target of the Target Company} - \text{Actual audited net profit attributable to the parent of the Target Company during the Performance Guarantee Period}}{\text{Total Performance Guarantee Target of the Target Company}} \times \text{Investment amount}$$

Note: The investment amount referred to herein includes the investment amount and additional investment agreed in the Investment Agreement and the supplementary agreement (if any), the equity transfer consideration paid by the Purchaser for acquiring the equity interest in the Target Company held by the Transferors, and all amounts paid by the Purchaser to acquire the equity interest in the Target Company, such as additional investment.

In respect of the above performance compensation, the performance Guarantors shall make up the shortfall to the Purchaser in cash on a priority basis within 3 months from the date of issuance of the Audit Report. If the cash cannot be made up in time, the Purchaser shall have the right to require the Guarantors to give priority to compensating the Purchaser in full out of the distributable income generated from the equity interest held by them in the Target Company, and the Guarantors agree not to actually receive the distributable income of the Target Company before full compensation is made.

Repurchase Arrangement

If a termination event as stipulated in the Investment Agreement occurs, the Target Company, the Existing Shareholders and their shareholders (as the “**Repurchase Obligors**”) shall, within 30 days from the date of occurrence of such termination event (hereinafter referred to as the “**Repurchase Period**”), jointly and severally perform the repurchase obligation for all equity interests in the Target Company then held by the Purchaser (including but not limited to the equity interests acquired by the Purchaser through capital increase pursuant to the Investment Agreement and the equity interests acquired through transfer pursuant to the Equity Transfer Agreement, hereinafter collectively referred to as the “**Purchaser’s Equity Interests**”) in accordance with the following provisions:

- (1) Repurchase method: It may be repurchased by the Target Company through capital reduction, or repurchased by the Existing Shareholders (and their shareholders) through the acquisition by themselves or a designated third party. If the selected repurchase method does not result in full payment of the repurchase price, the remaining Repurchase Obligors shall bear joint and several liability for making up the shortfall.
- (2) Repurchase price: The repurchase price is equal to all amounts actually paid by the Purchaser, plus a simple interest return calculated at an annual interest rate of 5% (converted based on actual days), and deducting the dividends received by the Purchaser (if any).
- (3) Performance guarantee: The Existing Shareholders shall pledge all their equity interests in the Target Company to the Purchaser as security within 10 days from the date of occurrence of the termination event. If the Repurchase Obligors fail to pay the repurchase price in full on schedule, the Purchaser shall have the right to enforce the pledge over the equity interests and obtain priority satisfaction in accordance with the law, and hold them liable for breach of contract.

Additional Investment

Pursuant to the Investment Agreement, the Purchaser undertakes to make an additional investment of RMB50,000,000 to the Target Company on the later of: (i) 10 business days after all conditions precedent to the additional investment are fulfilled (or waived in writing by the Purchaser); or (ii) 31 August 2027.

The conditions precedent to the additional investment include the full completion of certain rectification matters (including the completion of the deregistration procedures of designated companies, the obtaining of property ownership certificates and fire safety compliance certificates for school premises, etc.). Upon completion of the additional investment, the Purchaser’s shareholding in the Target Company will further increase to approximately 55.62%. If the conditions precedent to the additional investment cannot be fulfilled due to the reasons attributable to the Existing Shareholders, shareholders of the Existing Shareholders or the Target Company, the Purchaser shall have the right to postpone the capital contribution and it shall not constitute a breach of contract.

Basis of Determination of the Consideration for the Acquisition of Equity Interest in the Target Company and the Amounts of the Capital Increase and Additional Investment in the Target Company

The aggregate consideration of RMB104,000,000 under the Equity Transfer Agreement and the Amount of Capital Increase of RMB140,800,000 and the amount of additional investment of RMB50,000,000 under the Investment Agreement were determined after arm's length negotiations among the parties on normal commercial terms, having taken into account, among other things, (i) the business nature of the Target Company and its relevance to the Group's education services business; (ii) the historical financial performance and operating position of the Target Company; (iii) the valuation of the Target Company as set out in the Valuation Report (as defined below); and (iv) the commercial terms and protections under the Investment Agreement, including the conditions precedent, the performance guarantees and the repurchase arrangement.

Valuation

For the purpose of assessing the transactions, the Company engaged Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the "**Valuer**") to prepare a valuation report dated 9 June 2026 (the "**Valuation Report**"). The subject of the valuation was the market value of 100% equity interest of the Target Company on a pre-capital injection basis, assuming completion of certain restructuring as stipulated in the relevant investment agreement between the Company and the current owner of the Target Company, as at 31 August 2025 (the "**Valuation Date**").

The valuation was carried out on a market value basis. Based on the Valuation Report, the market value of the Target Company as at the Valuation Date was RMB348.74 million. Taking into account the contribution by the Company of RMB140.8 million, the post-investment valuation of the Target Company is expected to be RMB489.54 million upon completion of the said contribution.

Valuation Methodology

In arriving at the assessed value, the Valuer considered three generally accepted valuation approaches, namely the market approach, the cost approach and the income approach. The cost approach was not adopted as it does not directly incorporate information about the economic benefits contributed by the Target Company. The income approach was not adopted as the most optimal approach as it involves long-term financial projections and the adoption of numerous assumptions and subjective judgments, not all of which can be easily quantified or ascertained.

The Valuer adopted the guideline public company method under the market approach because, in the Valuer's view, the market approach relies on market data from comparable companies or transactions and there were sufficient publicly listed companies comparable to the Target Company in terms of industry relevance and geographic focus.

Selection of Valuation Price Multiples

The Valuer considered the following commonly used benchmark multiples:

Benchmark multiple	Abbreviation	Analysis
Price-to-earnings multiple	P/E	Not used. P/E is widely used by investors to evaluate a company's profitability. However, compared to P/E, the EV/EBITDA multiple better accounts for differences in capital structure, balance sheet positions, and depreciation and amortization expenses. As a result, EV/EBITDA provides a more comprehensive and precise valuation measure, and is therefore adopted instead of P/E.
Price-to-book multiple	P/B	Not used. P/B is not selected as P/B is common for asset intensive industries, and it does not account for intangible assets as usual.
Price-to-sales multiple	P/S	Not used. P/S is not selected as it does not account for the difference in capital structure between comparable companies and Target Company.
Enterprise value-to-sales multiple	EV/S	Not used. EV/S is not selected as EV/S do not take into account a company's profitability.
Enterprise value to earning before interest and tax multiple	EV/EBIT	Not used. EV/EBIT allows for direct comparison of firms regardless of their capital structure. However, it does not adjust for depreciation and amortization expenses.
Enterprise value-to-earnings before interest, tax depreciation and amortization multiple	EV/EBITDA	Adopted. EV/EBITDA is suitable for profitable companies, as it can account for differences in balance sheet positions between the subject company and comparable companies. It is also commonly used for businesses where depreciation and amortization expenses constitute a significant portion of total costs.

In this valuation, the EV/EBITDA ratio is calculated as the current enterprise value divided by the earnings before interest, tax, depreciation and amortization of the Target Company over the latest twelve-month period as of the Valuation Date.

Comparable Companies and Size Adjustments

In determining the financial multiple, the Valuer selected comparable companies by reference to the following criteria: (i) the shares of the comparable companies had been listed and actively traded in all major exchanges as classified by Capital IQ for no less than six months; (ii) the comparable companies primarily engaged in school, tutoring services and related education businesses, and revenue derived from such relevant businesses accounted for over 70% of their total revenue in the latest financial year; (iii) the comparable companies' primary geographic locations were in China and revenue generated from China accounted for over 70% of their total revenue for the latest financial year; and (iv) sufficient operational and financial data, including the EV/EBITDA ratio, were available as at the Valuation Date.

Descriptions of the comparable companies are set out below:

Ticker	Company Name	Company Description
NYSE:EDU	New Oriental Education & Technology Group Inc.	New Oriental Education & Technology Group Inc. engages in the provision of private educational services under the New Oriental brand in the People's Republic of China. The company operates through four segments: Educational Services and Test Preparation Courses; Private Label Products and Livestreaming E-Commerce; Overseas Study Consulting Services; and Educational Materials and Distribution.
NYSE:TAL	TAL Education Group	TAL Education Group provides learning services and learning content solutions in the People's Republic of China. It provides learning services primarily through small classes services; personalized premium services and online course offerings; and learning content solutions, such as print books, smart books, mobile apps, and AI-driven learning devices.
SEHK:1773	Tianli International Holdings Limited	Tianli International Holdings Limited, an investment holding company, provides comprehensive education management and diversified services in China. It mainly offers comprehensive education service, including high school, and Gaokao repetition education service, as well as sports and study tour services.
SEHK:1769	Scholar Education Group	Scholar Education Group, an investment holding company, provides private education services in the People's Republic of China. The company offers tutoring education services; and liberal education courses, including art, sports, painting, performance art, calligraphy, scientific literacy, Le Xue, Guo Xe, logic training, and Miaowei international literacy, as well as after-school care and education services.
SEHK:3978	China Beststudy Education Group	China Beststudy Education Group provides education related products and services, including comprehensive talent business, full-time test preparation business and after-school tutoring programs.

Key financial information as of Valuation Date from Capital IQ about the comparable companies is set out below:

Ticker	Company Name	Filing Currency	Market Capitalization (Million USD)	Market Capitalization (Million Filing Currency)	Enterprise Value* (Million Filing Currency)	EBITDA (Million Filing Currency)	% of revenue generated from relevant businesses	% of revenue generated in China
NYSE:EDU	New Oriental Education & Technology Group Inc.	USD	7,846	7,846	4,364	1,009	70.5	100
NYSE:TAL	TAL Education Group	USD	6,462	6,462	3,363	245	100	100
SEHK:1773	Tianli International Holdings Limited	RMB	1,024	7,303	9,337	1,173	100	100
SEHK:1769	Scholar Education Group	RMB	175	1,248	1,059	253	100	100
SEHK:3978	China Beststudy Education Group	RMB	505	3,599	2,982	479	100	100

* Enterprise Value = market capitalization + total debts + minority interests + preferred shares - cash and cash equivalents

As sourced from Capital IQ, the Valuer identified an exhaustive list of comparable companies satisfying the above criteria. The adjusted EV/EBITDA multiples of the comparable companies are set out below:

Ticker	Company Name	EBITDA/ NOPAT (α)	Market Capitalization/ EV (ε)	Size Adjustment (θ)	EV/EBITDA Before Adjustment	Adjusted EV/EBITDA
NYSE:EDU	New Oriental Education & Technology Group Inc.	332%	180%	2.14%	4.32	2.79
NYSE:TAL	TAL Education Group	306%	192%	2.14%	13.71	5.03
SEHK:1773	Tianli International Holdings Limited	150%	78%	1.64%	7.96	6.90
SEHK:1769	Scholar Education Group	192%	118%	0.00%	4.19	4.19
SEHK:3978	China Beststudy Education Group	170%	121%	0.00%	6.23	6.23
			Median		6.23	5.03
			Average		7.28	5.03
			Standard Deviation		3.91	1.46
			Average excluding outlier*		7.28	5.03

* If an EV/EBITDA multiple deviates from the mean by 2 standard deviations, i.e. higher than 7.95 or lower than 2.10, it is defined as an outlier.

The Valuer applied size adjustments to reflect the differences in size between the comparable companies and the Target Company. The adjustments were made with reference to the formula set out in Financial Valuation: Applications and Models (4th Edition, 2017) by James R. Hitchner and the size premium differentials in Cost of Capital Navigator 2025 published by Kroll. The average adjusted EV/EBITDA multiple excluding outlier(s), being 5.03, was adopted in the valuation.

Discount for Lack of Marketability and Control Premium

The Valuer adopted a discount for lack of marketability of 15.70% as at the Valuation Date, based on the 2025 edition of the Stout Restricted Stock Study Companion Guide issued by Stout Risius Ross, LLC, to reflect the fact that the Target Company is privately held and there is no established market of readily available buyers and sellers for its equity interest.

The Valuer also adopted a control premium of 31.20% with reference to the Quarterly Control Premium Study (4th quarter 2025) published by FactSet Mergerstat, LLC, taking into account that a controlling interest carries rights not available to minority owners.

Calculation of Valuation Result

The calculation of the market value of 100% equity interest in the Target Company as at the Valuation Date is summarised below:

Trailing 12 Months EBITDA of the Target Company	RMB94,558,000
EV/EBITDA Multiple (times)	<u>5.03</u>
Enterprise Value of the Target Company	RMB475,255,271
Add: Cash and Cash Equivalents	RMB38,625,000
Less: Interest Bearing Debt and lease Liabilities	RMB187,176,000
Less: Minority Interest	<u>RMB11,390,000</u>
100.00% Equity Interest in the Target Company (before discount of lack of marketability adjustments)	RMB315,314,271
Less: Discount of Lack of Marketability (15.70%)	<u>RMB49,504,341</u>
100.00% Equity Interest in the Target Company (after discount of lack of marketability adjustment)	RMB265,809,931
Add: Control Premium (31.20%)	<u>RMB82,932,698</u>
Market Value in the Subject (RMB) (Rounded)	RMB348,740,000

Major Assumptions

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated by the Valuer in order to provide a more accurate and reasonable basis for arriving at the assessed value. The Valuer made the following assumptions in determining the market value of the Target Company:

- i. that there will be no material changes to the principal business activities of the Target Company in the foreseeable future and that the Target Company will continue to operate as a going concern with adequate operational facilities and business systems. The Valuer also assumed that there will be no material changes in the existing political, legal, technological, natural, fiscal or economic conditions;
- ii. that there are no hidden or unexpected conditions (including, but not limited to, natural disasters, war, government intervention, or material changes in management) that may adversely affect the Target Company;
- iii. that all operational and contractual terms stipulated in the relevant contracts and agreements entered into between the Target Company and any other parties, including but not limited to loan agreements, business contracts and other agreements that may affect the business of the Target Company, will be duly performed and honored;

- iv. that the management of the Target Company will continue to operate in a prudent and reasonable manner necessary to maintain the character and integrity of the Target Company;
- v. that the Target Company has obtained, and will continue to maintain, all necessary permits, business certificates, licenses and regulatory approvals required to conduct its business, and that such permits, certificates, licenses and approvals are valid, in good standing, and will be renewed upon expiry in the ordinary course of business;
- vi. that as advised by the Company, certain entities within the Target Company generated revenue during the report period without the required school or food operation licenses, which may give rise to supplementary payments and potential penalties. The Company represented to the Valuer that the obtaining of all necessary approvals will be included as conditions precedent under the investment agreement and that such non-compliant matters will be rectified. Based on the information provided by the Company, the Valuer assumed that such matters will be duly addressed and will not result in any material liabilities that would adversely affect the value of the Target Company;
- vii. that the financial and operational information provided by the Company, including management accounts, contractual agreements and operational information, are accurate and complete. The Valuer relied to a considerable extent on such information in forming its opinion of value and did not independently verify such information; and
- viii. that, as advised by the Company, the Target Company incurred expenses reimbursed with and without supporting invoices, which, as represented by the management of the Target Company, were in substance profit distributions and may give rise to potential Individual Income Tax and Corporate Income Tax liabilities. The Company also indicated that the Target Company did not fully contribute to social insurance and housing provident fund obligations, which may give rise to risks of supplementary payments and penalties. The Company represented to the Valuer that, pursuant to the investment agreement, any tax risks and contingent liabilities arising prior to completion shall be borne by the Transferors and its shareholders, and that the Target Company will operate in compliance with applicable laws and regulations following completion. Based on the above, the Valuer assumed that such risks are appropriately addressed and will not result in any material liabilities that would adversely affect the value of the Target Company.

In view of the post-investment valuation of RMB489.54 million, the Company's acquisition of 51% equity interest in the Target Company at a total investment amount of RMB244.8 million, and the cancellation of all special shareholder rights enjoyed by the Transferors in the Target Company following the acquisition of the equity interest held by the Transferors, the Company considers that the consideration is fair and reasonable.

Financial Data of the Target Company

Set out below are certain financial data of the Target Company:

	For the year ended 31 August 2024 <i>RMB million</i>	For the year ended 31 August 2025 <i>RMB million</i>
Revenue	313.94	268.24
Net profit before tax	28.70	29.25
Net profit after tax	24.78	24.18

Based on the unaudited consolidated financial statements of the Target Company for the year ended 31 August 2025 prepared in accordance with the China Accounting Standards for Business Enterprises, the unaudited consolidated net liabilities of the Target Company as at 31 August 2025 were approximately RMB32.55 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT AND THE INVESTMENT AGREEMENT

The Target Group was founded in 1998 and has now grown into a comprehensive art education group covering all types, subjects, and age groups of art education. The Target Group is based on art-featured education, with its core focus on three major business segments: art college entrance examination, integration of art and education, and children's literacy. As of June 2026, the Target Group has established nine major art Gaokao intensive training centers in Chongqing, Sichuan, Guizhou, Yunnan, Henan, Shandong and Zhejiang, with approximately 5,000 Grade 12 students for intensive training each year. The Target Group's teaching performance across all majors leads the industry, having produced 81 top scorers in various provinces in the 2026 national art joint examinations and obtained 796 art entrance certificates from the nine major academies of fine arts, among which 76 students obtained arts entrance certificates from the Academy of Arts & Design, Tsinghua University.

The Directors believe that the Acquisition provides an excellent opportunity for the Group's further expansion in the field of art training, including the following main benefits:

- **Tapping into the art entrance exam training services and creating featured education brands.** With "simultaneous development of five educations" being the core orientation of our education service development, the art education is a key component of quality education, with continuous strong market demand. Through cooperation to create high-quality art-featured schools, the Group will enrich its education product matrix to achieve differentiated competitive advantages.

- **Focusing on the cultivation of top-notch talents and building a diversified system for student placement.** With quality school admission being the core competitiveness of education, the Group has always been committed to opening up diversified school admission channels such as traditional Gaokao, competition-based “Strong Base Plan”, international education, and art and aesthetic education. This cooperation focuses on the cultivation of top-notch innovative talents in the art entrance exam training services, thereby strengthening the Group’s brand barriers in the high-end art education. The Target Group has a mature model and remarkable achievements in cultivating top-notch innovative talents for Tsinghua University: from 2014 to 2026, it independently cultivated 583 students who obtained arts entrance certificates from the Academy of Arts & Design, Tsinghua University, among which 25 and 22 students were admitted in 2024 and 2025 respectively.
- **Achieving market complementarity and broadening development space.** The student scale of the Target Group ranks among the top in the national industry, with approximately 12,000 students receiving art college entrance exam services and approximately 20,000 students receiving children’s literacy services. Such cooperation will help achieve national market complementarity, efficiently penetrating existing markets and emerging regions to achieve bi-directional student diversion. In return, our national brand influence will be enhanced.

In evaluating the terms of such transactions, based on the calculation of the total investment amount of RMB244,800,000 paid/payable by the Company for the acquisition of 51% equity interest in the Target Company under the Equity Transfer Agreement and the Investment Agreement, the implied post-investment 100% equity value of the Target Company in this transaction is approximately RMB480,000,000, which is equivalent to approximately 8.0 times the annual performance guarantee target of RMB60,000,000. The Company considers that such multiple is at a reasonable level after taking into account the basis of determination of the consideration for the acquisition set out above.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement and the Investment Agreement (i) although not entered into in the ordinary and usual course of business of the Group, are on normal commercial terms or better; and (ii) the terms thereof are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the acquisition and capital increase (including the Additional Investment (if any)) contemplated under the Equity Transfer Agreement and the Investment Agreement is more than 5% but all applicable percentage ratios are less than 25%, the entering into of the Equity Transfer Agreement and the Investment Agreement constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but is exempt from the Shareholders’ approval requirement.

INFORMATION ON THE PARTIES

The Group

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

The Purchaser

Shenzhou Tianli Education Technology Group Co., Ltd.* (神州天立教育科技集團有限公司) is a limited liability company established under the laws of the PRC and a subsidiary of the Company, principally engaged in comprehensive education services.

Transferor 1

Chongqing Yuwuxing Logistics Industry Private Equity Investment Fund Partnership (Limited Partnership)* (重慶渝物興物流產業私募股權投資基金合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC, principally engaged in investment and asset management business. Its executive partner is Chongqing Changjia Zongheng Private Equity Investment Fund Management Co., Ltd.* (重慶長嘉縱橫私募股權投資基金管理有限公司). As at the date of this announcement, Chongqing Yuwuxing Logistics Industry Private Equity Investment Fund Partnership (Limited Partnership)* (重慶渝物興物流產業私募股權投資基金合夥企業(有限合夥)) is held as to 66.6000%, 33.3333% and 0.0667% of its partnership interests by Chongqing Shunyuan Tongda Equity Investment Fund Partnership (Limited Partnership)* (重慶順源通達股權投資基金合夥企業(有限合夥)), Chongqing Industry Guidance Equity Investment Fund Co., Ltd.* (重慶產業引導股權投資基金有限責任公司) and Chongqing Changjia Zongheng Private Equity Investment Fund Management Co., Ltd.* (重慶長嘉縱橫私募股權投資基金管理有限公司), respectively, of which Chongqing Shunyuan Tongda Equity Investment Fund Partnership (Limited Partnership)* (重慶順源通達股權投資基金合夥企業(有限合夥)) and Chongqing Industry Guidance Equity Investment Fund Co., Ltd.* (重慶產業引導股權投資基金有限責任公司) are its limited partners, and Chongqing Changjia Zongheng Private Equity Investment Fund Management Co., Ltd.* (重慶長嘉縱橫私募股權投資基金管理有限公司) is its executive partner.

Chongqing Shunyuan Tongda Equity Investment Fund Partnership (Limited Partnership)* (重慶順源通達股權投資基金合夥企業(有限合夥)) is held as to 80.00%, 19.96% and 0.04% of its partnership interests by Chongqing International Logistics Hub Park Construction Co., Ltd.* (重慶國際物流樞紐園區建設有限責任公司), Chongqing Railway Port Logistics Development Co., Ltd.* (重慶鐵路口岸物流開發有限責任公司) and Chongqing Changjia Zongheng Private Equity Investment Fund Management Co., Ltd.* (重慶長嘉縱橫私募股權投資基金管理有限公司), respectively, of which Chongqing International Logistics Hub Park Construction Co., Ltd.* (重慶國際物流樞紐園區建設有限責任公司) and Chongqing Railway Port Logistics Development Co., Ltd.* (重慶鐵路口岸物流開發有限責任公司) are its limited partners, and Chongqing Changjia Zongheng Private Equity Investment Fund Management Co., Ltd.* (重慶長嘉縱橫私募股權投資基金管理有限公司) is its executive partner. Chongqing International Logistics Hub Park Construction Co., Ltd.* (重慶國際物流樞紐園區建設有限責任公司) and Chongqing Railway Port Logistics Development Co., Ltd.* (重慶鐵路口岸物流開發有限責任公司) are ultimately controlled as to 100% by the State-owned Assets Supervision and Administration Commission of Shapingba District, Chongqing Municipality* (重慶市沙坪壩區國有資產監督管理委員會).

Chongqing Changjia Zongheng Private Equity Investment Fund Management Co., Ltd.* (重慶長嘉縱橫私募股權投資基金管理有限公司) is held as to 47.20%, 28.80% and 24.00% of its equity interests by Shunyuan Zhengxin (Chongqing) Enterprise Management Co., Ltd.* (順源政信(重慶)企業管理有限責任公司), San Yang Ma (Chongqing) Logistics Co., Ltd.* (三羊馬(重慶)物流股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 001317.SZ) and Chongqing Industry Guidance Equity Investment Fund Co., Ltd.* (重慶產業引導股權投資基金有限責任公司), respectively. Shunyuan Zhengxin (Chongqing) Enterprise Management Co., Ltd.* (順源政信(重慶)企業管理有限責任公司) is held as to 40.00%, 25.00%, 20.00% and 15.00% of its equity interests by natural persons Zhou Lin (周淋), Zhang Meng (張萌), Yang Haibin (楊海斌) and Xue Feng (薛鋒), respectively. Chongqing Industry Guidance Equity Investment Fund Co., Ltd.* (重慶產業引導股權投資基金有限責任公司) is ultimately controlled as to 100% by the State-owned Assets Supervision and Administration Commission of Chongqing Municipality* (重慶市國有資產監督管理委員會).

Transferor 2

Zhang Meng (張萌) is a natural person who holds 0.10% equity interest in the Target Company as at the date of this announcement.

Chongqing Huajing

Chongqing Huajing Industrial Co., Ltd.* (重慶華旌實業有限責任公司) is a limited liability company established under the laws of the PRC, principally engaged in development and services of educational software and information technology. Tang Hongwei (唐宏偉), Zhang Yun (張雲), Gong Bin (龔彬) and Wu Xianwen (伍賢文) hold 60%, 30%, 5% and 5% equity interest in Chongqing Huajing, respectively.

Chongqing Tianyun

Chongqing Tianyun Enterprise Management Consulting Partnership (Limited Partnership)* (重慶天韻企業管理諮詢合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC, principally engaged in enterprise management consulting and business information consulting. Tang Hongwei (唐宏偉), Zhang Yun (張雲), Gong Bin (龔彬) and Wu Xianwen (伍賢文) hold 75%, 15%, 5% and 5% partnership interest in Chongqing Tianyun, respectively, and Wu Xianwen acts as the executive partner of Chongqing Tianyun.

Target Company

Tianlai Technology Group Co., Ltd.* (天籟科技集團有限公司) is a limited liability company established under the laws of the PRC on 2 November 2017 with a registered capital of RMB33,333,333. The Target Company is principally engaged in educational software and information technology services. As at the date of this announcement, the equity interests are held as to 81.00%, 9.90%, 9.00% and 0.10% by Chongqing Huajing, Transferor 1, Chongqing Tianyun and Transferor 2, respectively.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Transferors, the Target Company, the Existing Shareholders of the Target Company and their respective ultimate beneficial owners are Independent Third Parties independent of the Company and its connected persons.

As completion of the above transactions is conditional upon fulfilment of the conditions precedent set out in the respective agreements, the above transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Investment Agreement”	the investment agreement dated 9 June 2026 entered into among the Purchaser, the Target Company and the Existing Shareholders in respect of the investment
“Purchaser”	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
“Board”	the board of Directors of the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a person, or in the case of a corporate entity, its ultimate beneficial owner(s), who is a third party independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Company”	Tianli International Holdings Limited (天立國際控股有限公司) (Stock Code: 01773), a limited liability company incorporated in the Cayman Islands
“Existing Shareholders”	Chongqing Huajing Industrial Co., Ltd.* (重慶華旌實業有限責任公司) (“Chongqing Huajing”) and Chongqing Tianyun Enterprise Management Consulting Partnership (Limited Partnership)* (重慶天韻企業管理諮詢合夥企業(有限合夥)) (“Chongqing Tianyun”)
“RMB”	Renminbi, the lawful currency of the PRC
“Equity Transfer Agreement”	the conditional equity transfer agreement dated 9 June 2026 entered into among the Purchaser, the Transferors and the Target Company in respect of the equity transfer
“Shareholder(s)”	holder(s) of the share(s) of the Company

“Target Company”	Tianlai Technology Group Co., Ltd.* (天籟科技集團有限公司), a limited liability company established under the laws of the PRC
“Target Group”	the Target Company and its subsidiaries and branches controlled by it from time to time and within the scope of its consolidated financial statements
“Additional Investment”	the additional investment of RMB50,000,000 the Purchaser undertakes to make in the Target Company pursuant to the Investment Agreement
“Transferors”	Transferor 1 and Transferor 2
“Transferor 1”	Chongqing Yuwuxing Logistics Industry Private Equity Investment Fund Partnership (Limited Partnership)* (重慶渝物興物流產業私募股權投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Transferor 2”	Zhang Meng (張萌), a natural person
“Transferred Equity”	an aggregate of 10% equity interest in the Target Company held by the Transferors
“%”	per cent

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

9 June 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.

* *For identification purpose only*