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天立教育国际控股有限公司

Tianli Education International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1773)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is published by Tianli Education International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) and Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions of Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”).

Reference is made to the announcements of the Company dated 29 November 2021, 24 December 2021, 14 January 2022, 26 January 2022 and 21 February 2022 (the “**Announcements**”) in relation to, among others, (1) the delay in publication of the 2021 Annual Results; (2) the postponement of Board Meeting; and (3) the suspension of trading of shares of the Company with effect from 9:00 a.m. on 29 November 2021. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BUSINESS OPERATIONS

The Group is a leading comprehensive education service operator in Western region of the PRC. It primarily provides its customers with comprehensive education management and diversified services.

In May 2021, the State Council of the People’s Republic of China announced the Implementation Rules for the Law for Promoting Privation Education (《中華人民共和國民辦教育促進法實施條例》) (the “**Implementation Regulations**”) 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 relevant facts and situation at hand, 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 and the carrying amount related to the net assets of such Affected Business for the year ended 31 August 2021 have been deconsolidated from the consolidated financial statements of the Group. The business operations of the Affected Business have been classified as discontinued operations for the period ended 31 August 2021. The details of the relevant accounting treatment would be elaborated in the announcement in relation to the 2021 Annual Results.

Although such operating schools were deconsolidated from the Group as a result of the impact of the Implementation Regulations, in line with the Group's philosophy in being the role model among its students through continuous contribution to the society, the Group continues to maintain an on-going and stable students intake and operation for its schools across the nation. The Group will continue to provide high quality teaching services to its students.

In order to safeguard the sustainable development of the Group and to protect the long-term interests of the Company and its shareholders, (i) the Group will adopt measures to optimize its operational structure, including separate the high schools with independent operating licenses from integrated schools. After obtaining the independent operating licenses, the financial results of these high schools are expected to be consolidated in the consolidated financial statements of the Group; and (ii) the Group will progressively reduce the enrolment scale of affected elementary and middle schools.

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

Updates on the Implementation Regulations

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.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 29 November 2021 pending the publication of the announcement in relation to the 2021 Annual Results.

As disclosed in the announcement of the Company dated 21 February 2022, based on the current progress of the audit process of the Auditors, the Board Meeting will be held on Thursday, 3 March 2022 for the purposes of, among other matters, approving the 2021 Annual Results for publication and considering the recommendation of payment of a final dividend (if any).

The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status and development of the Company as and when appropriate.

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

The PRC, 28 February 2022

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. Tian Mu as non-executive director and Mr. Liu Kai Yu Kenneth, Mr. Yang Dong and Mr. Cheng Yiqun as independent non-executive directors.