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傳承教育
**LEGENDARY
EDUCATION**
Stock Code: 8195

LEGENDARY EDUCATION GROUP LIMITED

傳承教育集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8195)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Legendary Education Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 March 2025 increased by approximately 20.6% to approximately HK\$343,162,000 (2024: approximately HK\$284,595,000).
- Profit attributable to the owners of the Company for the year ended 31 March 2025 amounted to approximately HK\$37,078,000 (2024: Profit of approximately HK\$45,598,000).
- Total equity attributable to owners of the Company as at 31 March 2025 was approximately HK\$427,518,000 (2024: approximately HK\$331,339,000).
- Basic and diluted earnings per share attributable to the owners of the Company for the year ended 31 March 2025 was approximately HK8.45 cent and HK8.22 cent respectively (2024: Basic and diluted earnings per share attributable to the owners of the Company of approximately HK11.18 cent and HK10.80 cent respectively).
- The Board of directors do not recommend any payment of final dividend (2024: Nil) for the year ended 31 March 2025.

The board (the “Board”) of Directors is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2025 together with the comparative audited figures for the proceeding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	4	343,162	284,595
Cost of sales and services		<u>(156,343)</u>	<u>(124,016)</u>
		186,819	160,579
Other income	5	1,658	2,742
Other gains and losses, net	6	(1,825)	3,248
Selling and distribution costs		(27,090)	(20,479)
Administrative expenses		(104,285)	(85,624)
Finance costs	7	<u>(7,246)</u>	<u>(2,393)</u>
Profit before taxation		48,031	58,073
Income tax expenses	8	<u>(8,226)</u>	<u>(10,962)</u>
Profit and total comprehensive income for the year		<u>39,805</u>	<u>47,111</u>
Profit and total comprehensive income for the year attributable to:			
— Owners of the Company		37,078	45,598
— Non-controlling interests		<u>2,727</u>	<u>1,513</u>
		<u>39,805</u>	<u>47,111</u>
		<i>HK cent</i>	<i>HK cent</i>
Earnings per share	<i>10</i>		
— Basic		<u>8.45</u>	<u>11.18</u>
— Diluted		<u>8.22</u>	<u>10.80</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		23,697	24,989
Intangible assets		315	510
Goodwill		161,344	177,764
Interest in an associate		–	–
Loan receivables		643	1,105
Prepayments and deposits	<i>11</i>	3,902	2,436
		189,901	206,804
Current assets			
Trade and other receivables	<i>11</i>	90,168	106,108
Loan receivables		89,479	39,891
Financial assets at fair value through profit or loss		15,173	13,383
Cash and cash equivalents		129,177	68,222
		323,997	227,604
Current liabilities			
Other payables and accruals	<i>12</i>	19,484	17,780
Contract liabilities		14,717	28,236
Bank borrowing		4,118	4,682
Lease liabilities		11,542	11,938
Tax payable		6,165	9,032
Provision for litigation		1,735	1,735
Convertible bonds		15,000	–
		72,761	73,403
Net current assets		251,236	154,201
Total assets less current liabilities		441,137	361,005

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Other payables	12	4,262	24,409
Lease liabilities		5,399	3,692
Deferred tax liabilities		385	524
		<u>10,046</u>	<u>28,625</u>
Net assets		<u>431,091</u>	<u>332,380</u>
Capital and reserves			
Share capital		228	210
Reserves		427,290	331,129
Equity attributable to owners of the Company		427,518	331,339
Non-controlling interests		3,573	1,041
Total equity		<u>431,091</u>	<u>332,380</u>

1. GENERAL

Legendary Education Group Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 5 June 2014 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 October 2014. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section to the annual report.

The principal activity of the Company is investment holding and details of the principal activities of the subsidiaries of the Company are set out in the consolidated financial statements.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) which is the Company’s functional and presentation currency, and all value are rounded to the nearest thousand HK\$ except where otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1, Presentation of financial statements (the 2020 and 2022 amendments, collectively the “HKAS 1 amendments”)

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the HKAS 1 amendments, the Group has reassessed the classification of its liabilities as current or non-current, and concluded that no reclassification was required.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ³
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i> ³
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ²
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ⁴
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines (products and services). The operating segments of the Group are identified in a manner consistent with the way in which information is reported internally to the Company's executive directors (i.e. the chief operating decision maker, "CODM") for the purposes of resource allocation and performance assessment.

The executive directors of the Company regularly review revenue and operating results derived from the following:

- (i) OEM Business: Manufacturing and sales of OEM garment products;
- (ii) Retail Business: Retailing and wholesaling of garment products under the Group's own brand and high-end fashion brand;
- (iii) Money Lending Business: Provision of loan services to generate interest income;
- (iv) Financial Quotient and Investment Education Business: Provision of financial quotient and investment education courses;
- (v) Property Investment Business: Investing in properties in Asia Pacific region to generate rental income and to gain from the appreciation in the properties' values in the long term; and
- (vi) Private Supplementary Education Business: Provision of private supplementary education courses.

No operating segments have been aggregated to form the following reportable segments.

For the purposes of assessing segment performance and allocating resources between segments, the Company's executive directors monitor the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

Segment results represents pre-tax profit earned or loss incurred from each segment without allocation of other income, other gains and losses, net, certain corporate administrative expenses, share of results of associates, certain impairment losses and central finance costs. This is the measure reported to the chief operating decision maker of the Group for the purpose of resource allocation and performance assessment.

Segments assets include all tangible and intangible assets and current assets with the exception of goodwill, investments in financial assets at fair value through profit or loss and other corporate assets. Segment liabilities include provisions, lease liabilities and trade and other payables attributable to the activities of the individual segments and borrowings managed directly by the segments.

In addition to receiving segment information concerning segment profit or loss, the Company's executive directors are provided with segment information concerning revenue, interest income and expenses from cash balances and borrowings managed directly by the segments, depreciation and amortisation, impairment losses and additions to non-current segment assets (other than financial instruments and deferred tax assets) used by the segments in their operations.

	OEM Business HK\$'000	Retail business HK\$'000	Money Lending Business HK\$'000	Financial Quotient and Investment Education Business HK\$'000	Private Supplementary Education Business HK\$'000	Property investment business HK\$'000	Unallocated HK\$'000	Total HK\$'000
<i>Year ended 31 March 2025</i>								
Reportable segment revenue								
Revenue from external customers	-	-	5,423	215,688	122,051	-	-	343,162
Reportable segment profit (loss)	-	-	3,411	57,441	16,792	-	(29,387)	48,257
Other income								1,658
Other gains and losses, net								(1,884)
Consolidated profit before taxation								48,031
<i>At 31 March 2025</i>								
Assets								
Reportable segment assets (including interest in an associate)	3,715	-	112,883	77,199	55,950	-	87,319	337,066
Goodwill								161,344
Intangible assets								315
Financial assets at fair value through profit or loss								15,173
Consolidated total assets								513,898
Liabilities								
Reportable segment liabilities	(14)	-	(359)	(10,985)	(32,855)	-	(15,402)	(59,615)
Other payable for acquisition of subsidiaries								(8,192)
Convertible bonds								(15,000)
Consolidated total liabilities								(82,807)
<i>For the year ended 31 March 2025</i>								
Other segment information								
Additions to non-current assets during the year	-	-	96	1,119	17,204	-	2,938	21,357
Depreciation for the year	-	-	48	5,916	13,170	-	2,615	21,749
Amortisation for the year	-	-	-	195	-	-	-	195
Finance costs	-	-	3	328	513	-	6,402	7,246
Gain on disposal of property, plant and equipment	-	-	-	-	-	-	(214)	(214)
Impairment loss under expected credit loss	-	-	179	-	-	-	(120)	59
Interest income from banks	-	-	(254)	(144)	(352)	-	-	(750)

	OEM Business HK\$'000	Retail Business HK\$'000	Money Lending Business HK\$'000	Financial Quotient and Investment Education Business HK\$'000	Private Supplementary Education Business HK\$'000	Property Investment Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Year ended 31 March 2024								
Reportable segment revenue								
Revenue from external customers	<u>290</u>	<u>-</u>	<u>2,931</u>	<u>184,043</u>	<u>97,331</u>	<u>-</u>	<u>-</u>	<u>284,595</u>
Reportable segment profit (loss)	<u>30</u>	<u>-</u>	<u>1,279</u>	<u>56,661</u>	<u>12,624</u>	<u>-</u>	<u>(19,606)</u>	<u>50,988</u>
Other income								2,742
Other gains and losses, net								<u>4,343</u>
Consolidated profit before taxation								<u>58,073</u>
At 31 March 2024								
Assets								
Reportable segment assets (including interest in an associate)	<u>5,576</u>	<u>-</u>	<u>57,628</u>	<u>86,607</u>	<u>61,866</u>	<u>27,650</u>	<u>3,424</u>	<u>242,751</u>
Goodwill								177,764
Intangible assets								510
Financial assets at fair value through profit or loss								<u>13,383</u>
Consolidated total assets								<u>434,408</u>
Liabilities								
Reportable segment liabilities	<u>(37)</u>	<u>-</u>	<u>(223)</u>	<u>(47,445)</u>	<u>(21,545)</u>	<u>-</u>	<u>(8,369)</u>	<u>(77,619)</u>
Other payable for acquisition of subsidiaries								<u>(24,409)</u>
Consolidated total liabilities								<u>(102,028)</u>
For the year ended 31 March 2024								
Other segment information								
Additions to non-current assets during the year	-	-	-	4,610	5,710	-	9	10,329
Depreciation for the year	-	-	48	6,773	10,982	-	3,040	20,843
Amortisation for the year	-	-	-	195	-	-	-	195
Finance costs	-	-	1	729	392	-	1,271	2,393
Impairment loss under expected credit loss	-	-	1,094	-	-	-	546	1,640
Interest income from banks	<u>-</u>	<u>-</u>	<u>-</u>	<u>(212)</u>	<u>(331)</u>	<u>-</u>	<u>(42)</u>	<u>(585)</u>

Geographical information

The Group principally operates in Hong Kong, which is also its place of domicile. For the year ended 31 March 2024, all revenue was derived in Hong Kong, based on the location of the customers and services delivered. For the year ended 31 March 2025, approximately HK\$288,000 of revenue was generated from the People's Republic of China (the "PRC") with the remainder was derived from Hong Kong, based on the same criteria.

Additionally, as of 31 March 2024 and 31 March 2025, all of the Group's non-current assets were located in Hong Kong.

Information about major customers

There has no single customer contributed to 10% or more revenue to the Group's revenue for the year (2024: Nil).

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15 by category of major product lines and business:		
— Provision of financial quotient and investment education courses	215,688	184,043
— Provision of private supplementary education courses	122,051	97,331
— Manufacturing and sales of OEM garment products	—	290
	<u>337,739</u>	<u>281,664</u>
Revenue from other sources:		
— Interest income from loan receivables	5,423	2,931
	<u>343,162</u>	<u>284,595</u>

During the year ended 31 March 2024 and 31 March 2025, total amounts of interest income on financial assets measured at amortised cost are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income from:		
— Loan receivables	5,423	2,931
— Others	750	585
	<u>6,173</u>	<u>3,516</u>

During the year ended 31 March 2025, out of the Group's revenue from contracts with customers within the scope of HKFRS 15, revenue amounted to approximately HK\$318,426,000 (2024: HK\$268,306,000) was transferred at point in time and the remaining amount was transferred over time.

Information regarding the Group's revenue from the transfer of goods and services by geographical markets is set out in note 3 above.

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date to its revenue from provision of financial quotient, investment education and private supplementary education courses as the performance obligations is part of a contract that had an original expected duration of one year or less.

5. OTHER INCOME

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other income comprises:		
Rental income from course center	–	1,152
Bank interest income	750	585
Net gain on disposal of property, plant and equipment	214	–
Gain on early termination of lease contracts	46	–
Sundry income	648	1,005
	<u>1,658</u>	<u>2,742</u>

6. OTHER GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other gains and losses, net comprise:		
Impairment losses under expected credit losses model, net of reversal		
— Trade and other receivables	(120)	(546)
— Loan receivables	179	(1,094)
	59	(1,640)
Net gains arising from acquisition of subsidiaries in prior years:		
— Brilliant Ever Global Limited	10,154	4,680
— Best Take Global Limited	(345)	2,098
	9,809	6,778
Others		
Changes in fair value of other financial assets at FVTPL, net	(753)	(237)
Loss on disposal of other financial assets at FVTPL	—	(1,653)
Gain on convertible bonds at FVTPL	5,480	—
Impairment of goodwill	(16,420)	—
	<u>(1,825)</u>	<u>3,248</u>

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Finance costs comprise:		
Interest on bank borrowing	117	148
Interest on promissory notes payable	73	20
Interest on lease liabilities	851	954
Interest on convertible bonds	6,205	—
Imputed interest on other payables	—	1,271
	<u>7,246</u>	<u>2,393</u>

8. INCOME TAX EXPENSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Income tax expenses represent:		
Hong Kong Profits Tax		
— Charge for the year	8,413	10,740
— (Over-provision) under-provision in prior years	<u>(48)</u>	<u>361</u>
	8,365	11,101
Deferred tax		
— Origination and reversal of temporary differences	<u>(139)</u>	<u>(139)</u>
	<u><u>8,226</u></u>	<u><u>10,962</u></u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

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

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of Group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying Group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The PRC Enterprise Income Tax rate is 25% (2024: 25%).

No PRC Enterprise Income Tax has been provided for in the consolidated financial statements as the Group has no estimated assessable profits derived in the PRC for the year ended 31 March 2025 (2024: Nil).

9. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for the years ended 31 March 2024 and 31 March 2025, nor has any dividend proposed since the end of the reporting period.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year attributable to the owners of the Company for the purpose of basic earnings per share	37,078	45,598
Effect of dilutive potential ordinary shares:		
— Gain on fair value changes of derivative financial instruments	(5,480)	—
— Interest on convertible bonds	6,205	—
	<u>37,803</u>	<u>45,598</u>
Profit for the year attributable to owners of the Company for the purpose of calculating diluted earnings per share	<u>37,803</u>	<u>45,598</u>

Number of shares are calculated as follows:

	2025 <i>(in thousand)</i>	2024 <i>(in thousand)</i>
Number of shares		
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	439,032	407,769
Effect of dilutive potential ordinary shares:		
— Share options	12,412	14,309
— Convertible bonds	8,219	—
	<u>459,663</u>	<u>422,078</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>459,663</u>	<u>422,078</u>

February 2025 share option scheme are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 31 March 2025. The scheme could potentially dilute earnings per share in the future.

11. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	12,779	4,801
Less: Impairments	<u>(314)</u>	<u>(194)</u>
	12,465	4,607
Other receivables	18,722	24,696
Deposits with brokers	3,125	14,298
Temporary receipts	15,907	13,038
Prepayments	26,525	15,196
Other deposits	10,619	28,760
Deposits for decoration of education centers	1,980	2,480
Rental deposits	<u>4,727</u>	<u>5,469</u>
	<u>94,070</u>	<u>108,544</u>
Analysed as:		
— Current	90,168	106,108
— Non-current	<u>3,902</u>	<u>2,436</u>
	<u>94,070</u>	<u>108,544</u>

At 1 April 2023, trade receivables from contracts with customers amounted to approximately HK\$5,974,000 after impairment loss of approximately HK\$194,000.

The Group allows credit period ranging from 30 days to 360 days (2024: 30 days to 60 days) to customers.

As at the end of the reporting period, an ageing analysis of the trade receivables, net of loss allowances presented based on the invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	<u>12,465</u>	<u>4,607</u>

12. OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Accrued staff salaries	11,725	6,876
Other accruals and payables	3,104	6,396
Accrued interest on convertible bonds	725	–
Other financial liabilities comprise		
— Payables for acquisition of KC Training Company Limited	–	1,179
— Payables for acquisition of Brilliant Ever Global Limited	3,314	20,677
— Payables for acquisition of Best Take Global Limited	3,964	6,147
— Payables for acquisition of Hong Kong Institute of Professional Studies Limited	914	914
	<u>23,746</u>	<u>42,189</u>
Analysed as:		
— Current	19,484	17,780
— Non-current	4,262	24,409
	<u>23,746</u>	<u>42,189</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group principally derives its revenue from the following business arms: (i) OEM business segment, which entails product design and development, raw materials sourcing and procurement, manufacturing and product quality control management (the “OEM Business”); (ii) apparel retail business segment, which entails designing, procuring, manufacturing, marketing and retailing of pure cashmere apparel and other apparel products as well as accessories through the retail network in Hong Kong under the Group’s own brand and high-end fashion brand (the “Retail Business”); (iii) money lending business segment, which provides financing to customers for interest income (the “Money Lending Business”); (iv) financial quotient and investment education business segment, which provides financial quotient and investment education courses for the customers in return of tuition fees from them (the “Financial Quotient and Investment Education Business”); (v) property investment business (the “Property Investment Business”); and (vi) private supplementary education business segment, which provides private supplementary education courses for the students in return of tuition fees from them (the “Private Supplementary Education Business”).

OEM Business

The garment sector of the consumer market has experienced a downturn in recent year. Meanwhile, the Company currently has no intention, arrangement, agreement, understanding, negotiation (concluded or otherwise) on disposal, termination and/or scaling-down of the Company’s OEM business. The Group will cautiously monitor the business environment, market sentiment and customers’ behaviors of the OEM business and will continue to devote effort to the development of the OEM business. Going forward, the Group will continue to focus on expanding the customer base by diversifying the service scope of the OEM business.

Retail Business

While the economic slowdown in the PRC and the shifting of pattern to online shopping further negatively impacted the Retail Business.

Under such an unfavorable ambience, the Group has adopted a prudent approach in restructuring its sales network aiming at minimising the operating costs amid meeting the shift of consumers’ preference towards shopping online.

Money Lending Business

During the year ended 31 March 2025, the Money Lending Business generated interest income of approximately HK\$5.4 million, representing a significant increase of approximately 85.0% compared to the interest income of approximately HK\$2.9 million for the previous financial year. This increase in interest income is in line with the growth in loan receivables during the period. The Group anticipates that the improving business environment and the recovering market sentiment in Hong Kong will have a positive impact, further stimulating loan demand.

Nonetheless, the Group will remain vigilant in evaluating its risk management strategies to ensure a prudent and sustainable balance between risk and return over the long term.

Financial Quotient and Investment Education Business

During the year ended 31 March 2021, the Group established a Financial Quotient and Investment Education Business. This initiative provides financial and investment education courses to customers, with the aim of enhancing their knowledge in these areas.

In the year ended 31 March 2025, the successful completion of certain courses generated revenue of approximately HK\$215.7 million, representing an increase of approximately 17.2% compared to the prior year's revenue of approximately HK\$184.0 million.

The strong performance of the Financial Quotient and Investment Education Business highlights the growing demand for such educational offerings among the Group's customer base. The rebound of the Hong Kong stock market is also expected to drive further demand for financial quotient and investment education. The Group remains committed to investing in the expansion and refinement of this business to strengthen customer relationships and diversify its revenue streams.

Property Investment Business

During the year ended 31 March 2020, the Group established the Property Investment Business. Looking ahead, the Group will proactively seek opportunities for asset appreciation and stable cash flow returns within the property markets of Hong Kong and the broader Asia-Pacific region. In parallel, the Group will maintain a vigilant approach to market monitoring, continually assessing emerging trends and shifts in regional real estate dynamics.

Management believes that the decline in interest rates, coupled with government-encouraging policies, will create additional potential investment opportunities in Hong Kong's property market.

Private Supplementary Education Business

In August 2021, the Group resolved to develop the business of provision of private supplementary education services as a new business of the Group. Private supplementary education courses play a supplemental role to regular schools, helping students deepen their understanding of what they have learnt in classes, improve their school grades and better prepare themselves for public examinations. Private supplementary education courses, especially those for local secondary school students, have been in high demand in Hong Kong.

As at 31 March 2025, each of the education centers located in Causeway Bay, Kowloon Bay, Prince Edward, Tsuen Wan and Mongkok had obtained the “Certificate of Registration of a School” issued by the Education Bureau of Hong Kong. Additionally, the education center located in Tuen Mun was granted the “Certificate of Provisional Registration of a School” by the Education Bureau of Hong Kong.

Within a span of less than four years, the Group has successfully established multiple education centers across Hong Kong, a remarkable achievement that reflects its strong commitment to growth and excellence.

During the year ended 31 March 2025, the Group’s Private Supplementary Education Business generated revenue of approximately HK\$122.1 million (for the year ended 31 March 2024: approximately HK\$97.3 million) and recorded a segment profit of approximately HK\$16.8 million (for the year ended 31 March 2024: approximately HK\$10.6 million). This represents an increase of approximately 25.4% in revenue and an increase of approximately 33.0% in segment profit compared to the prior financial year, underscoring the strong performance and growth trajectory of this business segment.

The Group remains committed to further investing in and expanding its Private Supplementary Education Business to capitalize on favorable market trends and drive sustainable value creation for its stakeholders.

PROSPECTS

For the OEM Business, the management is committed to strengthening the customer base for the OEM Business. The Group will continue to secure new orders and customers to drive growth in this segment.

For the Retail Business, the management will closely monitor consumer behavior and continue to implement targeted promotion campaigns to support the Retail Business.

For the Money Lending Business, the Group will continue to expand it, but will do so with a prudent and balanced risk management approach to ensure the sustainable growth of this segment.

The Group is dedicated to driving growth in its Financial Quotient and Investment Education Business by: (i) strategically investing resources to expand its market share, and (ii) proactively broadening its customer base to capture untapped demand. Simultaneously, the Group is actively exploring opportunities to achieve both asset appreciation and stable cash flow returns in the property markets of Hong Kong and the Asia-Pacific region. While the Group remains deeply focused on strengthening its core businesses, particularly the Financial Quotient and Investment Education Business, it is equally committed to identifying high-potential investment opportunities. This forward-looking strategy aims to not only diversify income streams but also unlock long-term value for its shareholders, reinforcing the Group's position as a market leader in its respective industries.

The Group commenced its Private Supplementary Education Business during the year ended 31 March 2022. The Board remains highly optimistic about the prospects of the private tutorial class market, driven by favorable market dynamics and significant growth opportunities in the private education sector. The Board firmly believes that this business segment will serve as a key driver for enhancing the Company's financial performance and delivering greater value to shareholders. With a clear strategic vision and strong execution capabilities, the Company is well-positioned to strengthen its overall financial position through the continued success of this business line.

In addition, the Company intends to capitalize on strategic cooperation opportunities to extend the reach of its Private Supplementary Education Business across the PRC. Since the launch of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area in 2019, there has been a noticeable rise in demand for education services specifically tailored to the children of Hong Kong citizens studying in the PRC. This trend is supported by two key factors:

- (i) the increasing number of schools in the PRC offering the Hong Kong education curriculum to meet this demand; and
- (ii) the growing global recognition of the Hong Kong Diploma of Secondary Education (HKDSE) qualification by tertiary institutions worldwide.

The HKDSE is emerging as an attractive and viable pathway for students in the PRC to pursue higher education, further boosting its popularity. Leveraging its expertise, well-established capabilities, and strong reputation, the Group is poised to seize these growth opportunities by expanding its footprint and solidifying its position in this promising market segment. The Group is confident that these initiatives will enable it to capture substantial upside potential in the PRC market while driving sustainable value creation for its shareholders.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from approximately HK\$284.6 million for the year ended 31 March 2024 to approximately HK\$343.2 million for the year ended 31 March 2025, representing an increase of approximately 20.6%, which was mainly driven by the strong performance of the Financial Quotient and Investment Education Business and the Private Supplementary Education Business.

For the Financial Quotient and Investment Education Business, certain courses were completed with inspiring achievements and revenue of approximately HK\$215.7 million for the year ended 31 March 2025, representing an increase of approximately 17.2% as compared to that of approximately HK\$184.0 million for the last financial year and accounting for approximately 62.8% of the total revenue.

For the Private Supplementary Education Business, it had achieved encouraging results with tuition income of approximately HK\$122.1 million for the year ended 31 March 2025, representing a significant increase of approximately 25.4% as compared to that of approximately HK\$97.3 million for the last financial year and accounting for approximately 35.6% of the total revenue.

For the Money Lending Business, it had generated income of approximately HK\$5.4 million for the year ended 31 March 2025, representing 1.6% of the total revenue.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the years ended 31 March 2024 and 2025.

	Year ended 31 March			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
OEM Business	–	0.0	290	0.1
Retail Business	–	0.0	–	0.0
Money Lending Business	5,423	1.6	2,931	1.0
Financial Quotient and Investment Education Business	215,688	62.8	184,043	64.7
Property Investment Business	–	0.0	–	0.0
Private Supplementary Education Business	122,051	35.6	97,331	34.2
	343,162	100.0	284,595	100.0

Cost of sales and services

The majority of the Group's cost of sales and services comprised labor and operating costs associated with financial quotient and investment education courses, as well as private supplementary education courses. For the year ended 31 March 2025, the Group's cost of sales and services increased by approximately 26.1% from approximately HK\$124.0 million to approximately HK\$156.3 million, compared to the previous year.

While the rate of increase in costs slightly exceeded the growth in sales, it remained broadly aligned. This increase was primarily attributable to higher overhead costs associated with the online platform and an increment in labor expenses, reflecting the Group's continued investment in quality education delivery and operational scalability.

Expenses

Selling and administrative expenses for the year ended 31 March 2025 was approximately HK\$131.4 million (2024: approximately HK\$106.1 million), representing an increase of approximately HK\$25.3 million. This increase was primarily driven by share option expenses, higher staff costs aligned with the increased headcount to support the further development of the Private Supplementary Education Business, and an uptick in marketing and administrative expenses associated with the Financial Quotient and Investment Education Business.

Other gains and losses, net

The amount primarily comprised a net gain arising from the acquisition of subsidiaries (approximately HK\$9.8 million), a gain on convertible bonds measured at FVTPL (approximately HK\$5.5 million), and an impairment of goodwill (approximately HK\$16.4 million). These are considered non-recurring items.

Finance Costs

Finance costs increased significantly by 202.8%, from approximately HK\$2.4 million to approximately HK\$7.2 million. This increase was primarily driven by interest on convertible bonds, which is considered a non-recurring item.

Profit for the year

The profit for the year ended 31 March 2025 was approximately HK\$39.8 million. The profit for the year ended 31 March 2024 was approximately HK\$47.1 million.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Capital structure

As at 31 March 2025, the share capital and equity attributable to owners of the Company amounted to approximately HK\$228,000 and HK\$427.5 million respectively (2024: approximately HK\$210,000 and HK\$331.3 million respectively).

Cash position

As at 31 March 2025, the carrying amount of the Group's unpledged bank balances and cash was approximately HK\$129.2 million (2024: approximately HK\$68.2 million), representing an increase of approximately 89.3% as compared to that of at 31 March 2024.

Gearing ratio

As at 31 March 2025, the Group's total borrowings (including the convertible bonds) were approximately HK\$19.1 million (31 March 2024: approximately HK\$4.7 million). The gearing ratio was approximately 4.4% as at 31 March 2025 (31 March 2024: approximately 1.4%).

Exchange Rate Exposure

The Group's business operations are denominated mainly in Hong Kong dollars ("HK\$"). The Group's assets and liabilities are mainly denominated in HK\$. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks.

Significant Investments Held, Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies, and Plans for Material Investments or Capital Assets

Save as disclosed elsewhere in this announcement, there were no significant investments, material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 March 2025.

Save as disclosed in this announcement, there was no future plan for material investments or capital assets as at 31 March 2025.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 March 2025 (2024: Nil).

Capital Commitments

The Group had no material capital commitments as at 31 March 2025 (2024: Nil).

Employees and Emolument Policies

The Group had approximately 144 employees (including Directors) as at 31 March 2025 (2024: 116). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis. The emoluments of the Directors and senior management are reviewed by the Remuneration Committee, having regard to the Group's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

Legal Proceedings

During the year ended 31 March 2019, the Group received a writ of summons in relation to a repudiatory breach of a tenancy agreement between the plaintiff, an independent third party landlord, and Sino Shine Retailing Limited, a former subsidiary of the Group, entered into on 27 October 2016, which the plaintiff is claiming the Group for, inter alia, damages in the sum of approximately HK\$1,735,000 plus interest. As the directors of the Group consider that it is probable that an outflow of economic benefits will be required to settle the obligation, the Group recognised the provision of HK\$1,735,000 which is considered as a reliable estimate that can be made.

Compliance Committee

The Company established a compliance committee (the "Compliance Committee") with effect from 20 June 2022. The Compliance Committee is responsible for overseeing the regulatory compliance with all relevant rules and regulations applicable to the Company, including but not limited to, the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules"), the Securities and Futures Ordinance, and the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (together, "Applicable Laws").

The members of the Compliance Committee consist of two independent non-executive Directors and one executive Director. The Board has appointed Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie, both being independent non-executive Directors and Mr. Yuen Yu Sum, being the chairman of the Board and an executive Director, as members of the Compliance Committee. Mr. Chung Chin Kwan has been appointed as the chairman of the Compliance Committee.

The terms of reference of the Compliance Committee will be made available on the Company's website at <http://www.legendaryedu.com> and the Stock Exchange's website at <http://www.hkexnews.hk>.

Securities Investment Held by the Group

Details of the investment performance for the year ended 31 March 2025 in respect of equity securities listed in Hong Kong held by the Group are as follows:

Name of investments	Notes	Movement during the year ended 31 March 2025								
		% to the total assets of the Group as at 1 April 2024	% of interest of the respective investments as at 1 April 2024	Fair value as at 1 April 2024 HK\$'000	Addition/ (disposal), net HK\$'000	Change on fair value, net HK\$'000	Fair value as at 31 March 2025 HK\$'000	% to the total assets of the Group as at 31 March 2025	% of interest of the respective investments as at 31 March 2025	Loss on disposal/ redemption for the year ended 31 March 2025 HK\$'000
Equity securities listed in Hong Kong										
HSBC Holdings plc (5)	(a)	0.01	0.00	24	-	11	35	0.01	0.00	-
Basic House New Life Group Limited (8360)	(b)	0.45	0.87	1,966	9,367	(249)	11,084	2.16	4.89	-
Far East Hotels and Entertainment Limited (37) [#]	(c)	-	-	-	1,792	(517)	1,275	0.25	0.40	-
				1,990	11,159	(755)	12,394			-
Investment funds										
Swiss Financial Services (Singapore) Pte Ltd. — Class L of Investment Target “DiDi Global Inc.”	(d)	0.31	N/A	1,346	-	2	1,348	0.26	N/A	-
				3,336	11,159	(753)	13,742			-

The amount represent a net loss of HK\$1,162,000 for the year.

Notes:

- (a) The investment represented 400 shares, which was approximately 0.00% of the total issued shares of HSBC Holdings plc (“HSBC”) as at 31 March 2025. HSBC Holdings plc and its subsidiaries is principally engaged in the business of banking and financial services. The Group recorded an unrealised fair value gain of approximately HK\$11,000 in respect of its investment in HSBC for the year ended 31 March 2025. According to HSBC annual report for the year ended 31 December 2024, it recorded total operating income and net profit of approximately US Dollar 65,854 million and US Dollar 24,999 million respectively.

- (b) The investment represented 17,598,000 shares, which was approximately 4.89% of the total issued shares of Basic House New Life Group Limited (“Basic House”) as at 31 March 2025. Basic House and its subsidiaries is principally engaged in design and fit out business and securities investment business. The Group recorded an unrealised fair value loss of approximately HK\$249,000 in respect of its investment in Basic House for the year ended 31 March 2025. According to Basic House annual report for the year ended 31 December 2024, it recorded revenue and net loss of approximately HK\$65.6 million and HK\$10.8 million respectively.
- (c) The investment represented 3,000,000 shares, which was approximately 0.40% of the total issued shares of Far East Hotels and Entertainment Limited (“Far East”) as at 31 March 2025. Far East and its subsidiaries is principally engaged in the business of hotel and property management services. The Group recorded an unrealised fair value loss of approximately HK\$517,000 in respect of its investment in Far East for the year ended 31 March 2025. According to Far East annual report for the year ended 31 March 2024, it recorded total operating income and net loss of approximately HK\$27.3 million and HK\$33 million respectively.

The Group will continue to monitor the performance and share price of HSBC, Basic House and Far East.

- (d) The unlisted equity investment is issued by private entities with operations in Cayman Islands. The investment is carried at cost less impairment as management believes that the range of fair value estimates is so wide that the fair value cannot be estimated reliably.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares during the year ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICES

The Board has adopted various policies to ensure compliance with the code provisions of the CG Code under Appendix 15 of the GEM Listing Rules. For the year ended 31 March 2025, save for the deviations as further explained below, the Company has fully complied with all applicable provisions of the CG Code. The Company will continue to enhance its corporate governance appropriate to the conduct and growth of its business and to review its corporate governance from time to time to ensure they comply with the statutory and the CG Code and align with the latest developments.

The Board currently comprises eight members, of which two are executive Directors namely Mr. Yuen Yu Sum and Mr. Chan Lap Jin Kevin and three are non-executive Directors namely Mr. Law Wing Chung, Dr. Tang Sing Hing Kenny and Ms. Mak Louisa Ming Sze and three are independent non-executive Directors namely Mr. Chan Kim Fai Eddie, Mr. Chung Chin Kwan and Mr. Chung Kwok Pan.

Under the code provision A.2.1 of the Code, the roles of the chairman and the CEO should be separate and should not be performed by the same individual. Mr. Yuen Yu Sum was appointed as the chairman of the Board on 14 April 2021. The Board is in the process of finding an appropriate person to fill the vacancy of the CEO as soon as practicable. Meanwhile, the Board considers that the existing Board members are able to share the power and responsibilities of CEO among themselves.

DIRECTORS' SECURITIES TRANSACTIONS

The Group adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions of the Company. Upon the Company's specific enquiry, each Director had confirmed that, they had fully complied with the required standard of dealings and there was no event of noncompliance for the year ended 31 March 2025.

AUDIT COMMITTEE

The Company established the Audit Committee on 25 September 2014 with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on appointment or reappointment and removal of external auditors; review financial statements of the Company and judgement in respect of financial reporting; oversee internal control procedures of the Company; and review risk management and internal control system of the Group.

As at the date of this announcement, the Audit Committee consists of 3 independent non-executive Directors, namely Mr. Chan Kim Fai Eddie, Mr. Chung Chin Kwan and Mr. Chung Kwok Pan. Mr. Chan Kim Fai Eddie is the chairman of the Audit Committee.

The Group's results for the year ended 31 March 2025 had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee is of the opinion that the financial statements of the Company and the Group for the year ended 31 March 2025 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF KENSWICK CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Group's auditor, Kenswick CPA Limited, to the amounts set out in the Group's audited consolidated financial statements of the Group for the year as approved by the Board on 27 June 2025. The work performed by Kenswick CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Kenswick CPA Limited on this announcement.

By order of the Board
Legendary Education Group Limited
Yuen Yu Sum
Chairman and Executive Director

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Yuen Yu Sum (Chairman) and Mr. Chan Lap Jin Kevin; three non-executive Directors, namely, Mr. Law Wing Chung, Dr. Tang Sing Hing Kenny and Ms. Mak Louisa Ming Sze; and three independent non-executive Directors, namely, Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie and Mr. Chung Kwok Pan.

This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange's website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the website of the Company at <http://www.legendaryedu.com>.