

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



Bradaverse Education (Int'l) Investments Group Limited

源宇宙教育(國際)投資集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 1082)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

For the six months ended 31 December 2025:

- The Group recorded revenue of approximately HK\$21.95 million, representing a decrease of approximately 56.29% as compared to approximately HK\$50.22 million for the corresponding period in 2024.
- The Group recorded a loss of approximately HK\$3.85 million (2024: approximately HK\$14.04 million).

As at 31 December 2025:

- The Group had a current ratio (defined as total current assets divided by total current liabilities) of approximately 1.59 times, compared to approximately 1.61 times as at 30 June 2025, and a gearing ratio, expressed as total debts divided by the sum of total equity plus total debts (total debts refer to total liabilities minus the sum of tax payable, deferred tax liabilities and dividend payable (if any)) of approximately 48.44%, compared to approximately 45.71% as at 30 June 2025.

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2025 (2024: nil).

INTERIM RESULTS (UNAUDITED)

The board (“**Board**”) of directors (“**Directors**”) of Bradaverse Education (Int’l) Investments Group Limited (“**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (“**Group**”) for the six months ended 31 December 2025 (“**Period**”), together with the comparative unaudited figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended	
		31 December	
	<i>NOTES</i>	2025	2024
		(Unaudited)	(Unaudited)
		<i>HK\$’000</i>	<i>HK\$’000</i>
Revenue			
– Provision of private educational services		17,275	16,391
– Interest income from money lending		1,262	1,348
– Trading and services income from virtual reality (“ VR ”) and digital entertainment		3,412	32,479
	3	21,949	50,218
Changes in inventories of finished goods		(3,547)	(30,179)
Other income, gains and losses, net	4	2,719	(4,150)
Staff costs	6	(13,257)	(14,547)
Tutor contractor fee		(1,771)	(1,722)
Lease payments		(14)	(584)
Marketing expenses		(494)	(1,355)
Printing costs		(414)	(388)
Depreciation and amortisation		(3,002)	(3,124)
Change in fair value of financial assets at fair value through profit or loss (“ FVPL ”)		500	(2,915)
Other operating expenses	6	(3,795)	(3,712)
Finance costs	5	(1,378)	(1,402)
Share of results of associates		(1,347)	(4)
Loss before tax	6	(3,851)	(13,864)
Income tax expense	7	–	(176)
Loss for the period		(3,851)	(14,040)

		For the six months ended	
		31 December	
	<i>NOTES</i>	2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Other comprehensive (expense) income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating foreign operations		(2)	4
		<u> </u>	<u> </u>
Other comprehensive (expense) income for the period, net of income tax		(2)	4
		<u> </u>	<u> </u>
Total comprehensive expense for the period		<u>(3,853)</u>	<u>(14,036)</u>
Loss for the period attributable to:			
Owners of the Company		(3,548)	(11,566)
Non-controlling interests		(303)	(2,474)
		<u> </u>	<u> </u>
		<u>(3,851)</u>	<u>(14,040)</u>
Total comprehensive expense for the period attributable to:			
Owners of the Company		(3,550)	(11,562)
Non-controlling interests		(303)	(2,474)
		<u> </u>	<u> </u>
		<u>(3,853)</u>	<u>(14,036)</u>
Loss per share			
– Basic and diluted (<i>HK cents</i>)	8	<u>(0.58)</u>	<u>(1.90)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>NOTES</i>	31 December 2025 (Unaudited) HK\$'000	30 June 2025 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment		1,164	1,972
Right-of-use assets		5,410	7,888
Goodwill	10	7,562	7,562
Other intangible assets		893	893
Interests in associates		1,121	2,468
Financial assets at fair value through other comprehensive income (“FVOCI”)		5,762	5,762
Non-current deposits	11	109	1,532
		22,021	28,077
Current assets			
Inventories		54	62
Trade and other receivables	11	17,453	14,636
Loan receivables	12	15,497	14,040
Amounts due from related parties		4,689	4,570
Financial assets at FVPL	13	30,262	31,109
Bank balances and cash		841	1,541
		68,796	65,958
Current liabilities			
Trade and other payables	14	13,903	9,162
Contract liabilities		1,930	3,707
Lease liabilities		3,980	4,825
Current tax liabilities		2,565	3,117
Amounts due to related parties		1,415	1,374
Other borrowing	15	19,491	18,873
		43,284	41,058
Net current assets		25,512	24,900
Total assets less current liabilities		47,533	52,977

		31 December 2025 (Unaudited) HK\$'000	30 June 2025 (Audited) HK\$'000
Non-current liabilities			
Lease liabilities		1,825	3,431
Retirement benefit obligations		204	189
		<u>2,029</u>	<u>3,620</u>
Net assets		<u>45,504</u>	<u>49,357</u>
Capital and reserves			
Share capital	<i>16</i>	30,402	30,402
Reserves		22,130	25,680
		<u>52,532</u>	<u>56,082</u>
Equity attributable to owners of the Company		(7,028)	(6,725)
Non-controlling interests		<u>45,504</u>	<u>49,357</u>
Total equity		<u>45,504</u>	<u>49,357</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 January 2011 and continued in Bermuda on 7 May 2015 (Bermuda time). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is located at Unit 1708, 17/F, Tower II, Admiralty Centre, No. 18 Harcourt Road, Hong Kong. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) since 4 July 2011.

The Company acts as an investment holding company while its principal subsidiaries are principally engaged in the provision of private educational services, investment in securities, money lending business and VR and digital entertainment sales and services.

The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements for the Period are consistent with those applied in the Group’s audited financial statements for the year ended 30 June 2025.

HKICPA has issued a number of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRS**”) that are first effective or available for early adoption for the Period. There have been no significant changes to the accounting policies applied in these financial statements for the Period presented as a result of these developments.

The condensed consolidated financial statements for the Period have been prepared under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

The condensed consolidated financial statements for the Period have not been audited by the Company’s independent auditor, but have been reviewed by the Company’s audit committee.

The preparation of the condensed consolidated financial statements for the Period is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group’s accounting policies.

3. REVENUE AND SEGMENT INFORMATION

The Group's operating and reporting segments have been identified on the basis of internal management reports prepared in accordance with the accounting policies that conform to HKFRSs, that are regularly reviewed by the executive Directors, being the chief operating decision maker ("CODM") of the Group, in order to allocate resources to segments and to assess their performances.

The Group's operations have been organised based on four operating divisions as described below. Similarly, the information reported to the CODM is also prepared on such basis. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

- Provision of private educational services – secondary tutoring services, primary tutoring services, skill courses and test preparation courses, franchising income, and Science, Technology, Engineering, Art and Math ("STEAM") education services
- Investment in securities – trading of securities
- Money lending – providing loans as money lender
- VR and digital entertainment – trading of VR and gaming products and provision of related services

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the six months ended 31 December 2025

	Provision of private educational services	Investment in securities	Money lending	VR and digital entertainment	Consolidated (Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue (revenue from external customers)	<u>17,275</u>	<u>–</u>	<u>1,262</u>	<u>3,412</u>	<u>21,949</u>
Segment results	<u>1,113</u>	<u>750</u>	<u>2,515</u>	<u>(531)</u>	3,847
Interest on other borrowing					(938)
Share of results of associates					(1)
Unallocated corporate expenses					<u>(6,759)</u>
Loss before tax					<u>(3,851)</u>

For the six months ended 31 December 2024

	Provision of private educational services	Investment in securities	Money lending	VR and digital entertainment	Consolidated (Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue (revenue from external customers)	<u>16,391</u>	<u>–</u>	<u>1,348</u>	<u>32,479</u>	<u>50,218</u>
Segment results	<u>(1,776)</u>	<u>(1,318)</u>	<u>1,654</u>	<u>(5,255)</u>	(6,695)
Bank interest income					2
Interest on other borrowing					(959)
Share of results of associates					(4)
Unallocated corporate expenses					<u>(6,208)</u>
Loss before tax					<u>(13,864)</u>

The CODM assesses segment results using a measure of operating profit whereby certain items are not included in arriving at the segment results of the operating segments (i.e. bank interest income, interest on other borrowing, share of results of associates and unallocated corporate expenses).

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

As at 31 December 2025

	Provision of private educational services	Investment in securities	Money lending	VR and digital entertainment	Consolidated (Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets					
Segment assets	<u>10,446</u>	<u>24,056</u>	<u>15,529</u>	<u>18,024</u>	68,055
Unallocated assets					
Bank balances and cash					816
Interests in associates					1,121
Financial assets at FVOCI					5,762
Other corporate assets					<u>15,063</u>
					<u>90,817</u>
Liabilities					
Segment liabilities	<u>12,892</u>	<u>-</u>	<u>-</u>	<u>7,117</u>	20,009
Unallocated liabilities					
Other borrowing					19,491
Current tax liabilities					2,565
Other corporate liabilities					<u>3,248</u>
					<u>45,313</u>

As at 30 June 2025

	Provision of private educational services	Investment in securities	Money lending	VR and digital entertainment	Consolidated (Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets					
Segment assets	<u>12,265</u>	<u>31,153</u>	<u>14,108</u>	<u>17,861</u>	75,387
Unallocated assets					
Bank balances and cash					1,481
Interests in associates					2,468
Financial assets at FVOCI					5,762
Other corporate assets					<u>8,937</u>
					<u>94,035</u>
Liabilities					
Segment liabilities	<u>15,287</u>	<u>–</u>	<u>–</u>	<u>4,103</u>	19,390
Unallocated liabilities					
Other borrowing					18,873
Current tax liabilities					3,117
Other corporate liabilities					<u>3,298</u>
					<u>44,678</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to the operating segments other than bank balances and cash (other than those included in the money lending segment), interests in associates, financial assets at FVOCI and other corporate assets; and
- all liabilities are allocated to the operating segments other than other borrowing, current tax liabilities and other corporate liabilities.

(c) Revenue from major services

	For the six months ended	
	31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Secondary tutoring services	90	73
Primary tutoring services, skill courses and test preparation courses	13,226	13,072
Franchising income	3,406	2,577
STEAM education services	553	669
Trading and services income from VR and digital entertainment	3,412	32,479
	<u>20,687</u>	<u>48,870</u>
Revenue from other sources		
Loan interest income	1,262	1,348
	<u>21,949</u>	<u>50,218</u>

4. OTHER INCOME, GAINS AND LOSSES, NET

	For the six months ended	
	31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income on bank deposits	–	2
Dividend income from listed equity securities	17	18
Government grants	96	–
Sponsorship fee income	113	300
Services charge income	1,200	1,129
Loss on write off/disposal of property, plant and equipment	(179)	–
Impairment loss on trade receivables	(77)	(6,153)
Reversal of impairment loss on loan receivables	1,420	469
Gain on lease modifications	11	–
Others	118	85
	<u>2,719</u>	<u>(4,150)</u>

5. FINANCE COSTS

	For the six months ended	
	31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on other borrowing	938	959
Interest on lease liabilities	440	443
	<u>1,378</u>	<u>1,402</u>

6. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	For the six months ended	
	31 December	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Directors' emoluments	318	330
Other staff costs	12,394	13,628
Other staff's retirement benefit scheme contributions	545	589
Total staff costs	<u>13,257</u>	<u>14,547</u>
Legal and professional fee	599	511
Rental related fees and charges (including building management fee, air conditioning charges and government rent and rates)	802	948
Other daily operation related expenses	2,394	2,253
Total other operating expenses	<u>3,795</u>	<u>3,712</u>
Retirement benefit obligations (reversal of retirement benefit obligations)	<u>15</u>	<u>(106)</u>

7. INCOME TAX

For the six months ended
31 December
2025 2024
(Unaudited) (Unaudited)
HK\$'000 **HK\$'000**

Current tax:

Hong Kong Profits Tax

– Provision for the period

– 176

For the Period, no provision for Hong Kong Profits Tax was made as the Group did not have any assessable profit.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will 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\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000.

8. LOSS PER SHARE

The calculations of the basic and diluted loss per share attributable to owners of the Company for both periods are based on the following data:

For the six months ended
31 December
2025 2024
(Unaudited) (Unaudited)
HK\$'000 **HK\$'000**

Loss for the purpose of basic and diluted loss per share

(Loss for the period attributable to owners of the Company)

(3,548) (11,566)

Number Number
of shares of shares

Weighted average number of ordinary shares for the purpose of basic
and diluted loss per share

608,046,880 608,046,880

No adjustment has been made in calculating the diluted loss per share amount presented for the Period as there were no dilutive potential ordinary shares in issue during the Period.

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for year ended 30 June 2024.

9. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the Period (2024: nil).

10. GOODWILL

	CGU 1 HK\$'000	CGU 2 HK\$'000	CGU 3 HK\$'000	Total HK\$'000
COST				
At 1 July 2024 (Audited), 30 June 2025 (Audited) and 31 December 2025 (Unaudited)	60	559	20,655	21,274
ACCUMULATED IMPAIRMENT				
At 1 July 2024 (Audited)	–	559	–	559
Impairment loss for the year ended 30 June 2025 (Audited)	–	–	13,153	13,153
At 30 June 2025 (Audited) and 31 December 2025 (Unaudited)	–	559	13,153	13,712
CARRYING AMOUNTS				
At 31 December 2025 (Unaudited)	60	–	7,502	7,562
At 30 June 2025 (Audited)	60	–	7,502	7,562

Goodwill has been allocated to three CGUs which are engaged in money lending business (“CGU 1”), IT services (“CGU 2”), and VR and digital entertainment services (“CGU 3”) respectively.

11. TRADE AND OTHER RECEIVABLES

	31 December 2025 (Unaudited) HK\$'000	30 June 2025 (Audited) HK\$'000
Contract assets and trade receivables	35,172	33,478
<i>Less: Impairment loss on trade receivables, net</i>	<u>(23,436)</u>	<u>(23,359)</u>
	11,736	10,119
Rental deposits	2,562	2,597
Other deposits	2,108	2,110
Prepayments	697	984
Other receivables, net of loss allowance	<u>459</u>	<u>358</u>
	17,562	16,168
<i>Less: Rental deposits (shown under non-current assets)</i>	<u>(109)</u>	<u>(1,532)</u>
Trade and other receivables (shown under current assets)	<u>17,453</u>	<u>14,636</u>

Ageing analysis

The following is an ageing analysis of contract assets and trade receivables (net of loss allowance), presented based on the invoice date at the end of the reporting period which approximated the respective revenue recognition dates:

	31 December 2025 (Unaudited) HK\$'000	30 June 2025 (Audited) HK\$'000
Contract assets	780	62
Trade receivables:		
0 to 30 days	437	844
31 to 60 days	1,391	59
61 to 90 days	597	104
More than 90 days	8,531	9,050
	<u>11,736</u>	<u>10,119</u>

Trade receivables are usually due within 30 days (30 June 2025: within 30 days) from the date of billing.

12. LOAN RECEIVABLES

	31 December 2025 (Unaudited) HK\$'000	30 June 2025 (Audited) HK\$'000
Loan receivables	26,617	26,580
<i>Less: Impairment loss</i>	<u>(11,120)</u>	<u>(12,540)</u>
	<u>15,497</u>	<u>14,040</u>

Loan receivables represent outstanding principals and interest arising from the money lending business of the Group.

The Group seeks to maintain strict control over its outstanding loan receivables so as to minimise credit risk by reviewing borrowers' and their guarantors' financial positions. As at 31 December 2025, all of the loan receivables are with a maturity date within the next twelve months and interest-bearing at fixed rates mutually agreed between the contracting parties, ranging from 9% to 12% (30 June 2025: 9% to 12%) per annum.

The Group has a policy for assessing the impairment on loan receivables on an individual basis. The assessment includes evaluation of collectability and ageing analysis of the loan receivables and on management's judgement on creditworthiness, collateral, past collection history of each borrower and forward-looking information.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		31 December	30 June
		2025	2025
		(Unaudited)	(Audited)
	<i>Notes</i>	HK\$'000	HK\$'000
Listed equity securities in Hong Kong, at fair value	<i>(i)</i>	8,603	9,174
Unlisted equity securities in Hong Kong, at fair value		15,451	15,451
Unlisted equity funds outside Hong Kong	<i>(ii)</i>	6,208	6,484
		30,262	31,109

Notes:

- (i) The amount represents equity securities listed in Hong Kong. The fair values of the investments are determined with reference to the quoted market bid prices in the Stock Exchange.
- (ii) The unlisted equity funds at fair value represent the investments placed to private funds incorporated in the Cayman Islands.

14. TRADE AND OTHER PAYABLES

	31 December	30 June
	2025	2025
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Trade payables	5,553	2,188
Other payables	3,020	1,936
Accrued tutor contractor fee, salary and other accruals	5,330	5,038
	13,903	9,162

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

Included in trade and other payables are trade creditors with the following ageing analysis, based on the invoice date, as of the end of the reporting period:

	31 December 2025 (Unaudited) HK\$'000	30 June 2025 (Audited) HK\$'000
0 to 30 days	1,939	–
31 to 60 days	1,443	–
61 to 90 days	4	22
More than 90 days	<u>2,167</u>	<u>2,166</u>
	<u>5,553</u>	<u>2,188</u>

15. OTHER BORROWING

As at 31 December 2025, other borrowing of the Group from an independent third party was secured by the corporate guarantee executed by the Company, repayable on demand (30 June 2025: within one year) and carried a fixed interest rate at 11% (30 June 2025: 11%) per annum.

16. SHARE CAPITAL

	Number of shares	Amount HK\$'000
<i>Authorised</i>		
Ordinary shares of HK\$0.05 each		
At 1 July 2024, 30 June 2025 and 31 December 2025	<u>6,000,000,000</u>	<u>300,000</u>
<i>Issued and fully paid</i>		
Ordinary shares of HK\$0.05 each		
At 1 July 2024 (Audited), 30 June 2025 (Audited) and 31 December 2025 (Unaudited)	<u>608,046,880</u>	<u>30,402</u>

The shares of the Company in issue rank pari passu in all respects. None of the Company or its subsidiaries repurchased, sold, redeemed or cancelled any of the Company's shares during the Period and the year ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Introduction

The Group principally engages in the provision of (i) private educational services, which include primary tutoring services, skill course and test preparation courses and secondary tutoring services; (ii) Science, Technology, Engineering, Art and Math (“**STEAM**”) Education, Virtual Reality (“**VR**”) and digital entertainment sales and services; and (iii) investment in securities. The Group also offers money lending service to further utilize the cash flow generated from our business.

Provision of Private Educational Services

The Group is dedicated to providing local students with high-quality and comprehensive educational services aimed at helping them improve their academic performance and achieve all-round development in their studies. The Group offers homework tutoring classes for various grade levels as well as specialized subject courses that align with school curriculum. As at 31 December 2025, 8 directly-owned education centres and 32 franchised centres operating under the brand name of “Modern Bachelor Education (現代小學士)” to offer both physical class and online class to students to meet different needs.

The aggregate revenue generated from primary tutoring services, skill course and test preparation courses and secondary tutoring services was approximately HK\$16.72 million during the six months ended 31 December 2025 (“**Period**”), represented an increase of approximately 6.36% from approximately HK\$15.72 million for the corresponding period in 2024.

STEAM Education, VR and Digital Entertainment sales and services

The Group offered various STEAM courses under the brand name of “UFO Tech Academy (優孚奧科技學院)”. During the Period, the Group has generated revenue from (i) STEAM education services of approximately HK\$0.55 million (2024: approximately HK\$0.67 million); (ii) sales of VR products and provision of related services with nil revenue recorded (2024: approximately HK\$0.52 million); and (iii) sales of gaming products of approximately HK\$3.41 million (2024: approximately HK\$31.96 million). The significant decrease in gaming product sales during the period was primarily attributable to enhanced internal control measures recently introduced by the Group, in particular the implementation of stricter credit approval procedures for downstream distributor customers. These tightened procedures were applied in response to the long-outstanding receivables of certain distributors. While these changes immediately restricted the ability of affected customers to purchase on credit, thereby impacting short-term revenue, the measures were implemented to mitigate debt collection risks and reduce exposure to potential bad debts. Although time will be required to renegotiate commercial terms with the impacted customers, these controls are expected – over the longer term – to strengthen the Group’s financial stability, lower overall credit risk, and support more sustainable business growth in the future.

Money Lending Business

Besides the private educational services and STEAM Education, VR and Digital Entertainment sales and services, the Group, to a less extent, also offered money lending service to utilize the cash flow generated from other segments for corporations and individuals.

China Rich Finance Limited (“**China Rich**”), an indirect wholly-owned subsidiary of the Company, is a holder of the money lender’s license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (“**Money Lenders Ordinance**”). China Rich has adopted money lending policies and procedures for handling and/or monitoring the money lending business in compliance with the Money Lenders Ordinance.

China Rich is principally engaged in carrying out money lending business by providing secured and unsecured loans to its customers. It is operated and managed by a director and a loan manager, who have years of experience in accounting, business development and/or financial services and management.

Through the business and social networks of the senior management of the Group, China Rich would identify and be referred potential clients, which would include corporate and high net wealth individual clients. China Rich would then assess the credit and risk of such potential customers based on its credit policy and procedure. Below set forth the key internal control measures and procedures of China Rich:

Loan application and approval

In progress of loan applications, internal credit assessments would be performed to decide the proposed loan size and interest rate charged. The internal credit assessment included but not limited to:

- verification and background checking, such as the identity documents and statutory records (i.e. identity card, address proof, business registration certificate, latest annual return, etc.);
- obtaining income or asset proof of the borrower and guarantor, such as share certificates, bank statements and security statements, etc.;
- the valuation documents of the collaterals (if any); and
- the verification of the authenticity of the information provided.

Furthermore, China Rich would perform public search towards the borrower and guarantor (if any) to ensure compliance with the relevant requirements and regulations of anti-money laundering and counter-terrorist financing (“**AML & CTF**”). For each loan application, rather than a pre-set minimum amount of income/revenue/profit/total asset/net asset level, the management would determine and approve the loan amount and interest rates based on the relevant financials, repayment ability and the overall quality of borrowers/guarantors and the respective collaterals, subject to business negotiations and market conditions. In general, the aggregate value of 12-month income/profit before tax and net asset value/net worth of the prospective borrower or its guarantor are the key financial benchmarks adopted by China Rich and which should not be less than the proposed loan amount and the relevant interest. The loan approval would be further subject to the judgement of the management, where certain factors may also be considered in loan assessment as additional factors that would greatly affect the likelihood of the loan recoverability, such as the credit history, career profile, business or family background of the borrower/guarantor and the purpose of the borrowing.

Recovery and collection of loan receivables

Upon granting the loan, China Rich would keep track of the repayment records and loan portfolio on an on-going basis and conduct recoverability review at each period end, in particular for any past due loan accounts. China Rich would follow the review procedure as follow: (i) obtain and review the repayment records of every loan and interests repayment to ensure every repayment is repaid on schedule and at the appropriate amount; (ii) communicate actively with the customers for past due repayment; and (iii) conduct legal action when considered necessary. China Rich would further obtain the updated financial information from the borrowers when late repayment records were noted to assess the recoverability of loan. Different procedures and effort are put onto the loan recovery, appropriate actions, such as sending legal demand letter, legal proceedings arrangement, etc., would be considered by China Rich, subject to the recovery situation of the loans and negotiation with customers.

As at 31 December 2025, the loans receivables of China Rich were loan with guarantee and unsecured loans. The management of China Rich are of the view that the composition is reasonable and in the interests of the shareholders as a whole, considering that a relatively higher interest yield could be associated with an unsecured loan, given that the borrower can fulfill China Rich’s loan approval requirements as mentioned above.

Impairment provisions

The Group adopted expected credit loss allowances (“**ECLs**”) according to the requirements of Hong Kong Financial Reporting Standard (“**HKFRS**”) 9 issued by the Hong Kong Institute of Certified Public Accountants. The Group made impairment provision on loan and interest receivables primarily based on the future macroeconomic conditions and borrowers’ creditworthiness (e.g. the likelihood of default by customers). Such assessment has taken regard of quantitative and qualitative historical information and also, the forward-looking analysis.

The following table shows the China Rich's loan balance as at 31 December 2025 by different nature of loans.

	Total number of borrowers	Loan principal as at 31 December 2025 (Unaudited) <i>HK\$'000</i>	Interest rate per annum %	Term <i>Months</i>	Percentage of total loan principal as at 31 December 2025 (Unaudited) %
Loan with guarantee	1	5,000	12	12	19.54
Unsecured loans	6	20,592	9-12	12	80.46
Total	7	25,592			100.00

A maturity profile of the loan and interest receivables as at the end of the reporting period, based on the maturity date, net of provision, is as follow:

	31 December 2025 (Unaudited) <i>HK\$'000</i>	30 June 2025 (Audited) <i>HK\$'000</i>
0-90 days	10,868	7,241
91-180 days	–	4,878
181-365 days	4,629	1,921
	15,497	14,040

China Rich's five largest loan and interest receivables amounted to approximately HK\$24.29 million or 91.25% (30 June 2025: approximately HK\$24.25 million or 91.23%) of its total loan and interest receivables, of which approximately HK\$7.21 million or 27.08% (30 June 2025: approximately HK\$7.24 million or 27.26%) was made to the largest customer.

Loan receivables with outstanding principal and interest as at 31 December 2025 in aggregate amount of approximately HK\$11.12 million (30 June 2025: approximately HK\$12.54 million) which have been past due and impaired as at the reporting date, and additional impairment loss of approximately HK\$1.04 million (30 June 2025: approximately HK\$9.71 million) and reversal of impairment loss of approximately HK\$2.46 million (30 June 2025: approximately HK\$1.63 million) were recognised respectively for the Period.

Investments

Assets Investments

Financial assets at fair value through profit or loss (“FVPL”)

During the Period, the Group continued to participate in the stock market for securities trading. The Group did not acquire listed equity securities in listed companies in Hong Kong and disposed listed equity securities in 4 listed companies in its investment portfolio. As at 31 December 2025, the Group had financial assets at FVPL with a fair value of approximately HK\$30.26 million and recorded a gain on change in fair value of financial assets at FVPL of approximately HK\$0.50 million for the Period.

Details of the significant investments and other investments in the portfolio under financial assets at FVPL with a value of 5% or more of the Group’s unaudited total assets as at 31 December 2025 are as follows:

Description of investments	Principal businesses	Number of shares held	Percentage held to the total issued share capital of the company (approximately)	Investment cost HK\$'000	Fair value	Percentage to the Group’s unaudited total assets
					as at 31 December 2025 HK\$'000	as at 31 December 2025 (approximately)
Significant investment						
Convoy Global Holdings Limited (“Convoy”), incorporated in the Cayman Islands	Financial advisory business, money lending business, proprietary investment business, asset management business and securities dealing business.	348,904,000	2.34%	122,116	14,481	15.71%
Other investments						
Listed equity securities*				14,946	8,603	9.33%
Unlisted equity securities				6,717	970	1.05%
Unlisted equity funds				11,020	6,208	6.74%
Grand total				<u>154,799</u>	<u>30,262</u>	<u>32.83%</u>

* Listed equity securities included the equity securities of 3 companies which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the equity securities of 1 company which are listed on GEM of the Stock Exchange. Each of the investments included in the listed equity securities does not exceed 5% of the Group’s unaudited total assets as at 31 December 2025.

Details of the change in fair value of financial assets at FVPL during the Period are as follows:

Description of investments	Net realised fair value loss for the Period HK\$'000	Net unrealised fair value gain (loss) for the Period HK\$'000
Listed equity securities*	(510)	1,248
Unlisted equity funds	—	(238)
Grand total	<u>(510)</u>	<u>1,010</u>

* Listed equity securities included the equity securities of 3 companies which are listed on the Main Board of the Stock Exchange and the equity securities of 2 companies which are listed on GEM of the Stock Exchange.

Financial assets at fair value through other comprehensive income (“FVOCI”)

The Group held significant investment under financial assets at FVOCI with a value of 5% or more of the Group’s unaudited total assets as at 31 December 2025 as below:

Description of investment	Principal businesses	Number of shares held	Percentage held to the total issued share capital of Gransing (approximately)	Investment cost HK\$'000	Carrying amount as at 31 December 2025 HK\$'000	Percentage to the Group’s unaudited total assets as at 31 December 2025 (approximately)
Gransing Financial Group Limited (“Gransing”), incorporated in the British Virgin Islands	Dealing in securities, securities advisory, corporate finance advisory, asset management and wealth management services and money lending in Hong Kong and the People’s Republic of China (“PRC”).	26	7.34%	30,831	5,762	6.25%

Performance and future prospects of the Company’s significant investments

(1) Convoy

The Listing Committee of the Stock Exchange cancelled Convoy’s listing under Rule 6.01A of the Listing Rules with effect from 9:00 a.m. on 4 May 2021.

On 14 November 2022, AGBA Acquisition Limited (Nasdaq: AGBA) acquired 100% of Convoy’s Platform Business and a 30% equity interest in its independent financial advisory (IFA) business. Following completion, the entity was renamed AGBA Group Holding Limited (“AGBA”), with

its common stock and warrants trading on the Nasdaq Capital Market (“**Nasdaq**”) under the ticker symbols “AGBA” and “AGBAW” from 15 November 2022. On 16 October 2024, AGBA merged with Triller Corp. and rebranded as Triller Group Inc. (“**Triller**”), and commenced trading on Nasdaq under ticker symbols “ILLR” and “ILLRW”. AGBA shareholders retained a 30% ownership interest in the combined company. On 30 December 2025, Triller was suspended trading on Nasdaq due to compliance-related matters. Triller has filed an appeal against the delisting decision and will provide timely updates to the markets.

(2) Gransing

Based on the financial information provided by the management of Gransing (“**Gransing Management**”), the Directors noted from the unaudited financial results of Gransing and its subsidiaries (“**Gransing Group**”) for the six months ended 31 December 2025 that a loss was recorded (for the six months ended 30 June 2025: a profit), and the fair value of the total equity value of Gransing decreased accordingly during the Period. In the first half of 2026, the Gransing Group will continue to focus on its principal businesses in Hong Kong and the PRC and will formulate appropriate business strategies to maximize its return.

The Directors would continue to monitor the situation of Convoy and Gransing to protect the interest of the Group.

Investment strategy for the Company’s significant investments

Following the cancellation of Convoy’s listing status, the liquidity for Convoy Shares as private equities has been significantly limited. In light of these circumstances, the Group has implemented a prudent investment strategy for its substantial investment in Convoy.

Given this situation, the primary approach of the Group is on long-term holding, which allows the Group to weather market fluctuations and potential volatility arising from unfavorable changes in Convoy’s circumstances. While the preference of the Group is to continue holding, the Group remains attentive to market updates and open to exploring various exit options. These options include private sales or potential opportunities for Convoy to relist in different markets.

The overarching objective of the Group is to safeguard shareholder value through careful consideration of the investment landscape. The Group regularly assesses market conditions and adjusts investment strategy accordingly to ensure the best possible outcomes for the shareholders.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK\$21.95 million during the Period, representing a decrease of approximately 56.29% as compared to approximately HK\$50.22 million recorded for the corresponding period in 2024.

During the Period, revenue generated from the segment of provision of private educational services is as below:

- Secondary tutoring services: an increase in revenue to approximately HK\$90,000, representing an increase of approximately 23.29% as compared to approximately HK\$73,000 recorded in the corresponding period in 2024; and
- Primary tutoring services, skill courses and test preparation course (including franchising income and STEAM education services): an increase in revenue to approximately HK\$17.19 million, representing an increase of approximately 5.33% as compared to approximately HK\$16.32 million recorded in the corresponding period in 2024.

During the Period, revenue generated from the segment of trading and service income from VR and digital entertainment is as below:

- Trading of VR products and provision of related services: nil revenue recorded as compared to approximately HK\$0.52 million in the corresponding period in 2024; and
- Trading of gaming products: a decrease in revenue to approximately HK\$3.41 million, representing a decrease of approximately 89.33% as compared to approximately HK\$31.96 million in the corresponding period in 2024. For more details of the significant decrease in revenue please refer to the section headed “STEAM Education, VR and Digital Entertainment sales and services” in the Business Review of Management Discussion and Analysis.

During the Period, the Group recorded loan interest income from the segment of money lending business of approximately HK\$1.26 million, representing a decrease of approximately 6.67% as compared to approximately HK\$1.35 million in the corresponding period in 2024.

Other income, gains and losses, net

During the Period, the Group’s other income, gains and losses recorded net gain of approximately HK\$2.72 million (2024: net loss of approximately HK\$4.15 million). Such gain was mainly attributable to the reversal of impairment loss on loan receivables of approximately HK\$1.42 million and the impairment loss on trade receivables of approximately HK\$77,000, as compared with the reversal of impairment loss on loan receivables of approximately HK\$0.5 million and the impairment loss on trade receivables of approximately HK\$6.15 million for the corresponding period in 2024.

Staff costs

The Group’s staff costs decreased to approximately HK\$13.26 million during the Period from approximately HK\$14.55 million for the corresponding period in 2024. Such decrease was mainly due to the refining of business operation for cost-efficiency during the Period.

Tutor contractor fee

The Group's tutor contractor fee increased to approximately HK\$1.77 million during the Period from approximately HK\$1.72 million for the corresponding period in 2024, which was primarily attributable to the change of workforce structure to allow for greater flexibility in business operation during the Period.

Marketing expenses

The Group's marketing expenses decreased to approximately HK\$0.49 million during the Period from approximately HK\$1.36 million for the corresponding period in 2024. Such decrease was mainly due to the shifting of more cost-efficient advertising media during the Period.

Other operating expenses

The Group's other operating expenses (“**Other Operating Expenses**”) were mainly comprised of the following:

	<i>HK\$'000</i> <i>(approximately)</i>
Legal and professional fee	599
Rental related fees and charges (including building management fee, air conditioning charges and government rent and rates)	802
Other daily operation related expenses*	<u>2,394</u>
Total	<u><u>3,795</u></u>

* *Other daily operation related expenses mainly consisted of consulting fee, electricity and water charges, repair and maintenance fee, postage and courier fees, telephone and fax charges, licence fee, cleaning charges, computer charges and sundry expenses.*

During the Period, the Other Operating Expenses increased by approximately HK\$83,000 or 2.24% as compared to the corresponding period in 2024. Such increase was mainly as a result of the impact of inflationary pressures during the Period.

Finance costs

The Group recorded finance costs of approximately HK\$1.38 million during the Period as compared to approximately HK\$1.40 million for the corresponding period in 2024, in which the amount represented the finance costs recognized on lease liabilities and other borrowing.

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the Period was approximately HK\$3.55 million (2024: approximately HK\$11.57 million). Loss per share was approximately HK cents 0.58 for the Period (2024: loss per share of approximately HK cents 1.90). The Group has implemented a strategic shift in business focus, resulting in a significantly improved gross margin. Driven by better cost control and a more favourable sales mix, net loss narrowed substantially, highlighting the effectiveness of restructuring measures and disciplined expense management. In addition, the decrease in loss was attributable to (i) the reversal of impairment loss on loan receivables of approximately HK\$1.42 million (2024: impairment loss of approximately HK\$0.47 million); (ii) impairment loss on trade receivables of approximately HK\$77,000 (2024: impairment loss of approximately HK\$6.15 million); and (iii) a gain of change in fair value of financial assets at fair value through profit or loss of approximately HK\$0.50 million (2024: loss of approximately HK\$2.92 million).

OUTLOOK

The Group is upgrading current products by integrating the latest artificial intelligence (“AI”) technologies, and actively developing high-tech and innovative education services. Our brands, “Modern Education (現代教育)” and “Modern Bachelor Education (現代小學士)”, are being enhanced by integrating technologies such as VR, augmented reality and AI, enabling students to learn more flexibly and effectively with the aids of these technologies. This also allows the Group to expand its businesses into larger markets and new segments, such as vocational and technical training, boosting the overall efficiency of both students and the Group by combining traditional and technology-driven learning approaches.

The Group is committed to becoming a leading content and solution provider in the STEAM education industry. Through close collaboration with various stakeholders, the Group will deepen its involvement in universal education and technological innovation development in advanced fields such as aerospace, astronautics, AI and chips, thereby expanding its business horizons and evolving into a more comprehensive service provider of technology-driven education and edtech solutions.

Looking forward, the Group expects to achieve more robust growth for its traditional education business, driven by complementary effects and synergies. The Group will proactively explore growth opportunities in the digital education sector through strategic partnerships and technological integration, positioning itself for more diversified and sustainable development and ultimately creating long term value for all the stakeholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has established an adequate liquidity risk management system to manage its short, medium and long-term funding and to satisfy its liquidity management requirements.

As at 31 December 2025, the Group's total balance of cash and cash equivalents amounted to approximately HK\$0.84 million (30 June 2025: approximately HK\$1.54 million), of which approximately 99.93% is held in Hong Kong dollars, 0.06% is held in Renminbi and 0.01% is held in United States dollars. Current ratio (defined as total current assets divided by total current liabilities) was approximately 1.59 times (30 June 2025: approximately 1.61 times).

As at 31 December 2025, the total amount of interest-bearing borrowing of the Group was approximately HK\$19.49 million (30 June 2025: approximately HK\$18.87 million), all of which would be repayable on demand (30 June 2025: within one year). The total amount of interest-bearing borrowing was secured by guarantee provided by the Company and denominated in Hong Kong dollars and bore a fixed interest rate.

As at 31 December 2025, the gearing ratio of the Group was approximately 48.44% (30 June 2025: approximately 45.71%). Gearing ratio is total debts divided by the sum of total equity and total debts. Total debts refer to total liabilities minus the sum of tax payable, deferred tax liabilities and dividend payable (if any).

IMPAIRMENT ASSESSMENT OF LOAN RECEIVABLES AS AT 31 DECEMBER 2025

As at 31 December 2025, all of the loan receivables were with guarantee or unsecured and interest bearing at fixed rates mutually agreed between the contracting parties, ranging from 9% to 12% (2024: 9% to 15%) per annum. Loan receivables with outstanding principal and interest as at 31 December 2025 in aggregate amount of approximately HK\$11.12 million (30 June 2025: approximately HK\$12.54 million) which have been past due and impaired before the date of this announcement. During the Period, reversal of impairment loss of approximately HK\$1.42 million on loan and interest receivables was recognised (2024: impairment loss of approximately HK\$0.47 million).

The Group estimates the loss allowances for loan receivables by assessing the expected credit losses. This requires the use of estimates and judgements. Where the estimation is different from the previous estimate, such difference will affect the carrying amounts of loan receivables and thus the impairment loss in the period in which such estimate is changed. The Group has a policy for assessing the impairment on loan receivables on an individual basis. The assessment includes evaluation of collectability and ageing analysis of the loan receivables and on management's judgement on credit worthiness, collateral, past collection history of each borrower and forward-looking information. Further details of the impairment assessment of the loan receivables are disclosed in note 12 to this announcement.

CAPITAL STRUCTURE AND TREASURY POLICIES

The Group consistently employed prudent treasury policies during its development and generally financed its operations and business development with internally generated resources and equity and/or debt financing activities. The Group also adopted flexible and prudent fiscal policies to effectively manage the Group's assets and liabilities and strengthen the Group's financial position.

The Group has established Treasury Policy to integrate risk management and control measures to safeguard the Company's funds and ensure its ongoing viability. Defined risk limits include stop-loss limit alerts, transaction size limits based on maximum limit on single investment and size tests, and a diversification mandate to mitigate sector-specific downturns. Regular monitoring will be carried out by Treasury Management Committee of the Company, with updates on the position shared with the board of the Company (“**Board**”) periodically. Any significant investments exceeding predefined thresholds of the Group's asset size, market capitalization, revenue, or profit must escalate and receive prior approval from the Board.

Robust controls are in place, including a structured investment process – pre-transaction due diligence, execution by qualified traders, and post-transaction monitoring. Investments are diversified across asset classes and industries, with defined risk limits and a focus on short-term liquidity. Counterparty risk is managed through the use of licensed brokers and managers, and significant investments require Board approval. The accounts department of the Group supports with reconciliations and periodic reporting.

The Group endeavours to enhance shareholders' value through the Treasury Policy by leveraging surplus funds for diversified investments aimed at capital appreciation and preservation, with realisation strategies to generate favourable returns.

EXPOSURE TO FOREIGN EXCHANGE RISK

The income and expenditure of the Group are mainly denominated in Hong Kong dollars and as such the impact of foreign exchange exposure of the Group was considered minimal. Hence, no hedging or other arrangements to reduce the currency risk have been implemented.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 86 full-time employees (30 June 2025: 77 full-time employees). They receive competitive remuneration packages that are constantly monitored against the market pay rate, and with incentives such as discretionary bonuses or employee share options based on the Group's and individual's performance. The Group provides comprehensive benefits packages and career development opportunities. In-house and external training programmes are provided as and when required.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Period (2024: Nil).

EQUITY-LINKED AGREEMENTS

Save as disclosed below, during the Period, the Company has not entered into, or there has not subsisted at the end of the Period, any other equity-linked agreement (as defined in section 6 of the Companies (Director's Report) Regulation (Chapter 622D of the HK Laws)).

Share option scheme

The Group has adopted a share option scheme on 21 December 2023 under which the Company may grant options to participants, including directors and employees of the Group and related entities to the Group, to subscribe for shares of the Company. As at 31 December 2025, no options have been granted under the share option scheme (30 June 2025: Nil). As at 1 July 2025 and 31 December 2025, the total number of shares in respect of which options available for grant under the share option scheme were 60,223,888 shares, respectively.

CONTINGENT LIABILITIES

As at 31 December 2025 and 30 June 2025, the Group had no significant contingent liabilities.

CAPITAL COMMITMENTS

As at 31 December 2025 and 30 June 2025, there was no capital expenditure contracted for but not provided in the condensed consolidated financial statements of the Group.

CHARGES ON THE GROUP'S ASSETS

The Group had neither pledged any assets nor any general banking facility as at 31 December 2025 and 30 June 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules), if any) during the Period. As at 31 December 2025, the Company did not hold any treasury shares.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisition and disposal during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

Save as disclosed in this announcement, as at 31 December 2025, the Group did not have any other plans for material investment or capital assets.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors (“**Code of Conduct**”). Having made specific enquiries to the Directors, each of the Directors confirmed his/her compliance with the required standard set out in the Model Code and the Code of Conduct throughout the Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles in and adopted the code provisions of the corporate governance code set out in Appendix C1 to the Listing Rules (“**CG Code**”) as its own corporate governance code. During the Period, the Company has complied with all the code provisions of the CG Code and the Listing Rules except the deviations mentioned in the following paragraphs.

The positions of the chief executive officer of the Company and the chairman of the Board have been vacated since 9 November 2017 and 19 December 2017 respectively as the Company has not been able to identify suitable candidates for the positions and remain vacated as at the date of this announcement. The aforesaid vacancies constitute a deviation from Code Provision C.2 of the CG Code, which set out the code provisions applicable to the chairman and the chief executive of a company.

Code Provision C.1.7 of the CG Code provides that appropriate insurance cover in respect of legal action against directors should be arranged. Currently, the Company does not have insurance cover for legal action against the Directors. However, every Director is, subject to the provisions of the applicable laws, indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty in their offices pursuant to Bye-law 164 of the Bye-laws of the Company. In view of the above, the Board considered that the Directors’ exposure to risk is manageable and that benefits to be derived from taking out insurance may not outweigh the cost.

LITIGATION

- (1) On 19 December 2017, Fastek Investments Limited (“**Fastek**”), an indirect wholly-owned subsidiary of the Company, received a writ of summons (“**Writ**”) with statement of claim issued in the Court of First Instance of the High Court of Hong Kong (“**CFI**”) by Convoy and certain subsidiaries of Convoy (“**Plaintiffs**”) to claim an order against Fastek, as one of the placees under the placing of shares of Convoy (“**Convoy Shares**”) conducted in October 2015, that Fastek wrongly placed the Convoy Shares and wrongly received certain circular financing facilities by one of the Plaintiffs.

On 31 May 2018, the Plaintiffs filed an amended statement of claim against, among other defendants, Fastek, pursuant to which:

- (i) Convoy (the 1st plaintiff) seeks, *inter alia*, (i) a declaration and order as against the places that the allotment of the Convoy Shares is null and void or has been rescinded and set aside; and (ii) an account of profits and an order for payment of any sums found to be due, equitable compensation to be assessed, and/or damages to be assessed for breach of fiduciary, common law and/or statutory duties, dishonest assistance, unlawful means conspiracy and/or lawful means conspiracy, as against, among others, Fastek;
- (ii) Convoy Collateral Limited and CSL Securities Limited (the 2nd plaintiff and the 3rd plaintiff) seek, *inter alia*, an order against, among others, Fastek as one of the direct recipients of funds under the said circular financing arrangement for an account of profits and an order for payment of any sums found to be due, equitable compensation to be assessed, and/or damages to be assessed for breach of fiduciary, common law and/or statutory duties, dishonest assistance, unlawful means conspiracy and/or lawful means conspiracy; and
- (iii) the Plaintiffs seek against all the defendants (a) general or special damages; (b) interests; (c) costs; and (d) further and/or other reliefs.

On 5 June 2018, the solicitors for Fastek received a letter from the solicitors for the Plaintiffs dated 4 June 2018 which clarified that the amended statement of claim (which states “**re-filed on 31 May 2018**”) served on Fastek on 31 May 2018 had yet to be officially filed in the CFI pending the resolutions of the Plaintiffs’ applications lodged with Mr. Justice Harris on 4 June 2018 to amend the statement of claim and to add new parties by amending the Writ.

On 25 July 2018, Fastek received a sealed order of the hearing for the Plaintiffs’ summons held on 28 June 2018 (“**Order**”). Pursuant to the Order, it is ordered, among other matters, that as between the Plaintiffs and Fastek (among certain other defendants), the Plaintiffs do have leave to file and serve the amended statement of claim. On 9 July 2018, the Plaintiffs served on Fastek copies of the amended Writ and amended statement of claim.

Pursuant to the order of Mr. Justice Harris granted on 12 July 2019, the Plaintiffs have filed and served its re-amended Writ and the re-amended statement of claim on 16 July 2019.

The Plaintiffs filed and served their reply to Fastek's defence filed on 18 October 2018 on 13 February 2020.

Thereafter, the Plaintiffs filed their re-re-amended statement of claim on 27 July 2020 pursuant to the order of Mr. Justice Harris granted during the hearing of the striking out application taken out by the 26th defendant on 9 January 2020.

- (2) On 2 January 2018, Fastek received a petition dated 27 December 2017 made by the petitioner filed with the CFI, whereby the petitioner seeks, among other things, a declaration that the placement of Convoy Shares to Fastek in October 2015 is void ab initio and of no legal effect.

Please refer to the announcements of the Company dated 19 December 2017, 2 January 2018, 4 June 2018, 7 June 2018 and 25 July 2018 for details of the litigations involving the Group.

Given that the litigations are still at a preliminary stage and has not gone into substantive pleading stage, and having considered the alleged claims and consulted with the Company's legal advisers, the Directors are of the views that (i) it is premature to assess the possible outcome of any claim which is pending, either individually or on a combined basis; (ii) it is uncertain as to whether there will be any impact, and if so, the quantum, on the financial position of the Group; and (iii) no provision for the claims in these legal proceedings is required to be made based on their current development. The Directors will monitor these litigations against the Group closely and the Company will continue to keep the shareholders of the Company and potential investors informed of any further material development.

EVENTS AFTER THE REPORTING PERIOD

There is no important event affecting the Company which have occurred since the end of the Period.

REVIEW OF INTERIM RESULTS

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group, the unaudited condensed consolidated financial statements of the Group for the Period and this announcement, and discussed internal controls and financial reporting matters of the Group for the Period.

By order of the Board
Bradaverse Education (Int'l) Investments Group Limited
Yip Kai Pong
Executive Director

Hong Kong, 27 February 2026

As at the date of this announcement, the executive Directors are Mr. Yip Kai Pong and Mr. Li Ming Him; and the independent non-executive Directors are Mr. Yuen Chun Fai, Mr. Hong Ka Kei and Ms. Leung Lai Yan.