VISIONARY HOLDINGS INC.
INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(IN U.S. DOLLARS)

	September 30, 2025	March 31, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 132,125	$ 334,910
Accounts receivable, net	2,067,037	1,098,921
Prepaid and other receivable	1,320,953	1,967,062
Inventory	51,024	-
Due from related parties	368,842	433,507
Total current assets	3,939,981	3,834,400
NON-CURRENT ASSETS		
Restricted cash – non-current	245,491	237,197
Property, plant and equipment, net	59,432,996	57,576,110
Intangible assets, net	876,010	848,559
Long-term investment	235,000	235,000
Goodwill	924,436	895,467
Total non-current assets	61,713,933	59,792,333
TOTAL ASSETS	$ 65,653,914	$ 63,626,733
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 1,634,953	$ 1,791,464
Accounts payable - RP	1,103,870	1,086,445
Accrued liabilities	5,835,209	4,176,810
Other tax payable	1,002,437	922,888
Customer deposit	216,274	181,839
Income tax payable	1,390,140	1,202,933
Current portion of mortgage and bank loan	47,071,883	45,596,789
Convertible notes	2,163,266	2,053,933
Liabilities on convertible feature	285,881	285,881
Other loan payable	1,025,075	508,621
Other payable to related part	402,902	503,126
Total current liabilities	62,131,890	58,310,729
NON-CURRENT LIABILITIES		
Deferred tax liabilities	126,660	120,658
Total non-current liabilities	126,660	120,658
TOTAL LIABILITIES	62,258,550	58,431,387
Commitments		
EQUITY		
Common shares, no par value, unlimited shares authorized, 5,607,348 and 5,607,348 issued and outstanding* as of September 30, 2025 and March 31, 2025, respectively and additional paid-in capital	21,604,833	21,647,561
(Accumulated deficits) retained earnings	(17,697,010)	(15,706,216)
Accumulated other comprehensive loss	(579,835)	(823,818)
Total shareholders' equity attributable to the Company	3,327,988	5,117,527
Non-controlling interest	67,376	77,819
Total shareholders' equity	3,395,364	5,195,346

TOTAL LIABILITIES AND EQUITY	$ 65,653,914	$ 63,626,733

VISIONARY HOLDINGS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)
(IN U.S. DOLLARS)

	For the Six Months Ended September 30,	
	2025	**2024**
Revenue – rent	$ -	$ 2,821,466
Revenue – tuition	410,973	449,644
Sales of products	23,675	76,128
Total Revenues	434,648	3,347,238
Cost of revenue – rent	-	2,318,564
Cost of revenue – tuition	121,909	146,524
Cost of sales	28,778	26,869
Total cost of revenues	150,687	2,491,957
Gross Profit	283,961	855,281
Operating expenses:		
General and administrative expenses	213,211	130,600
Professional fees	33,709	650,877
Salaries	240,137	243,039
Total operating expenses	487,057	1,024,516
Loss from operations	(203,096)	(169,235)
Other (expense) income		
Interest expense	(1,803,359)	(2,357,095)
(Loss) on warrants	-	(3,180,424)
Other income	2,588	4,945
Total other (expense) income, net	(1,800,771)	(5,532,574)
Loss before income taxes	(2,003,867)	(5,701,809)
Provision for income taxes	-	105,333
Net loss	(2,003,867)	(5,807,142)
Less: net income (loss) attributable to non-controlling interest	(13,073)	73,594
Net loss attributable to Visionary Holdings Inc.	(1,990,794)	(5,880,736)
Other comprehensive income gain (loss) :		
Foreign currency translation gain	246,613	55,355
Comprehensive income (loss)	(1,757,254)	(5,751,787)
Less: comprehensive income (loss) attributable to non-controlling interest	(10,443)	74,376
Comprehensive (loss) income attributable to Visionary Holdings Inc.	$ (1,746,811)	$ (5,826,163)
Loss per share		
Basic	$ (0.46)	$ (1.59)
Diluted	$ (0.46)	$ (1.31)
Weighted Average Shares Outstanding		
Basic*	4,333,514	3,707,415
Diluted*	4,333,514	4,487,613

VISIONARY HOLDINGS INC.
MANAGEMENT'S DISCUSSION OF UNAUDITED FINANCIAL STATEMENTS

You should read the following management's discussion and analysis of our financial condition and results of operations in conjunction with our unaudited consolidated interim financial statements included with this report, as well as our audited consolidated financial statements as of, and for the years ended, March 31, 2025 and 2024, including the notes thereto, included in our annual report on Form 20-F, filed with the Securities and Exchange Commission on August 15, 2024. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. The information in this report contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact in this announcement are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Investors can identify these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in the 2025 Form 20-F under the section titled "Risk Factors" and in other parts of the 2025 Form 20-F. In this management's discussion, we refer to Visionary Holdings Inc. ("formerly known as "Visionary Education Technology Holdings Group, Inc.") as "we," "us," "our," the "Company" or "GV." The Company undertakes no obligation to update forward-looking statements to reflect subsequent events or circumstances, or changes in its expectations, except as may be required by law. Although the Company believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that such expectations will turn out to be correct, and the Company cautions investors that actual results may differ materially from the anticipated results.

Overview

Visionary Holdings Inc, a diversified enterprise actively exploring the international market, is at a crucial stage of strategic transformation and rapid development.

The company was founded in Toronto, Canada and has a profound foundation in the education field. It used to be a comprehensive provider of Canadian education courses and services, offering comprehensive support to Canadian and international students at the secondary, undergraduate, postgraduate, and vocational education levels. This support covered various aspects such as education courses, accommodation, career guidance, study and immigration visa services, job placement, and financial support. Relying on its proprietary technology and excellent teaching and management teams, the company has accumulated a certain market share and reputation in the traditional education sector.

However, in the face of the ever - changing market environment, the company is proactive in seeking changes. In recent years, with the adjustment of Canadian education policies and the restriction of international student visas, the traditional education business has faced challenges. The company has quickly responded strategically. On the one hand, it has actively upgraded its education business by deeply integrating cutting - edge AI technology knowledge, optimizing the curriculum system, and collaborating with leading enterprises and authoritative experts in the industry to enhance the practicality and attractiveness of courses, thus transforming towards the AI - education field. On the other hand, it has vigorously expanded its business boundaries and entered high - tech fields such as new energy vehicles and biotechnology.

In the new energy vehicle field, the company took a forward - looking approach and started its layout three years in advance. It mainly focuses on research and development and market sales. It has not only established an international R & D team but also actively expanded the global market, establishing market sales partnerships in regions such as Europe and Africa. At the same time, it has also developed in the charging and battery - swapping business, gradually constructing a complete industrial chain layout covering vehicle R & D, production, sales, and supporting services.

The biotechnology field is also a key development direction for the company. In the early - stage cancer screening business, the E7 protein cervical cancer screening technology product launched by the company has significant advantages. It far surpasses traditional detection methods in terms of accuracy and detection convenience, has a wide range of market application scenarios, and has received a large number of sales orders. In addition, the company owns four types of chip products: medical testing chips, cold chain chips, animal chips, and agricultural chips. The relevant factories are planned to start production, which is expected to achieve a high output value. In the probiotic - based big health field, the company has jointly launched a series of gastrointestinal care products with Guangzhou Pharmaceutical Baiyunshan. It innovatively adopts the "platform + maker + store" social new - retail joint - operation model, aiming to build a digital gastrointestinal health care industry platform in China. Currently, it has achieved phased results, opening multiple stores and signing a large number of online purchase and sales contracts.

Looking to the future, Visionary Holdings will firmly focus on the two core tracks of new energy vehicles and biotechnology. It will continuously increase investment in technology research and development, attract top - notch talents, strengthen industry - university - research cooperation with scientific research institutions and universities, and enhance its independent innovation capabilities. It will actively layout domestic and international markets, strengthen brand promotion, and through diversified market channels and marketing strategies, increase the market share of its products and services. It will adhere to product quality and service standards, establish an excellent brand image, and enhance brand awareness and reputation. The company is determined to become a diversified multinational enterprise group with global influence, creating greater value for shareholders while actively contributing to social development.

Results of Operations

For the Six Months Ended September 30, 2025 and 2024

The following table summarizes the results of our operations during the six months ended September 30, 2025 and 2024, respectively, and provides information regarding the dollar and percentage increase or (decrease) comparing the period ended September 30, 2025 against the period ended September 30, 2024.

	For the Six Months Ended September 30,					
	2025		2024			
	Amount	As % of Sales	Amount	As % of Sales	Amount Increase (Decrease)	Percentage Increase (Decrease)
Revenues	$ 434,648	100.0%	$ 3,347,238	100.0%	$ (2,912,590)	(87.0)%
Cost of revenues	150,687	34.8%	2,491,957	74.4%	(2,341,270)	(94.0)%
Gross profit	283,961	65.3%	855,281	25.6%	(571,320)	(66.8)%
Operating expenses						
General and administrative expenses	213,211	49.1%	130,600	3.9%	82,611	63.3%
Professional fees	33,709	7.8%	650,877	19.4%	(617,168)	(94.8)%
Salaries and compensations	240,137	55.2%	243,039	7.3%	(2,902)	(1.2)%
Total operating expenses	487,057	112.1%	1,024,516	30.6%	(537,459)	(52.5)%
Loss from operations	(203,096)	(46.7)%	(169,235)	(5.1)%	(33,861)	(20.0)%
Other (expenses) income						
Interest expense, net	(1,803,359)	(414.9)%	(2,357,095)	(70.4)%	(553,736)	(23.5)%
(Loss) on warrants	-	-	(3,180,424)	(95.0)%	(3,180,424)	(100.0)%
Other income	2,588	0.6%	4,945	0.1%	(2,357)	(47.7)%
Total other (expenses) income	(1,800,771)	(414.3)%	(5,532,574)	(165.3)%	(3,731,803)	(67.5)%
Loss before income taxes	(2,003,867)	(461.0)%	(5,701,809)	(170.3)%	(3,697,942)	(64.9)%
Provision for income taxes	-	-	105,333	3.1%	(105,333)	(100.0)%
Net loss	$ (2,003,867)	(461.0)%	$ (5,807,142)	(175.7)%	$ (3,803,275)	(65.5)%

Revenues. Revenues decreased by $2.9 million, or 87.0%, to approximately $0.4 million for the six months ended September 30, 2025 from approximately $3.4 million for the same period last year. The decrease in revenue was mainly a result from decreased revenues from rental business, and the decreased revenue from education business during the six months ended September 30, 2025.

Revenue by Type

	For the Six Months Ended September 30,					
	2025		2024			
Revenue category	Revenue	% of total Revenue	Revenue	% of total Revenue	Variance $	Variance %
Rent revenue	$ -	-	$ 2,821,466	84.3%	$ (2,821,466)	(100.0)%
Tuition revenue	410,973	94.6%	449,644	13.4%	(38,671)	(8.6)%
Sales of products	23,675	5.4%	76,128	2.3%	(52,453)	(68.9)%
Total	$ 434,648	100.0%	$ 3,347,238	100.0%	$ (2,912,590)	(87.0)%

Rent revenue

Revenue from rent business decreased by $2.8 million, or 100.0%, to $nil for the six months ended September 30, 2025 from $2.8 million for the same period last year. The decrease in revenue was driven mainly by the unoccupied status of our two Toronto office buildings at 95-105 Moatfield Drive, reflecting a broader industry trend where office space rentals have struggled to recover in the wake of the pandemic, compounded by ongoing pressures in the global economy.

Tuition revenue

Revenue from tuition income decreased by $38,671, or 8.6%, to $410,973 for the six months ended September 30, 2025 from $449,644 for the same period last year. The decrease in revenue was mainly due to less student enrollment at our high schools and private colleges during the six months ended September 30, 2025. The lower enrollment was attributable to restrictions on visas to international students and post-pandemic immigration policies, higher borrowing costs for students and the relocation of MTM Animation campus to office building at 95 Moatfield Drive. The student enrollment reduced to 95 for the period ended September 30, 2025, from 100 for the same period last year.

Sale of products

Sale of products decreased by $52,453, or 68.9%, to $23,675 for the six months ended September 30, 2025 from $76,128 for the same period last year. The decrease in revenue was mainly due to the natural slowdown after an initial surge. When we launched the gastrointestinal care line in April 2024—in partnership with Guangzhou Baiyunshan—wholesalers placed large upfront orders to stock their inventories. Those sales have now normalized to routine reorder levels, which have been slower than anticipated. We are currently working with our partner to boost end-user demand and accelerate reorder cycles.

Gross profit.

Our gross profit decreased by $0.6 million, or 66.8%, to $0.3 million for the six months ended September 30, 2025, from $0.9 million for the same period last year. Gross profit margin was 65.3% for the six months ended September 30, 2025, as compared with 25.6% for the same period last year. The increase in gross profit margin was primarily attributable to the higher gross profit margin from our education segment, compared to our rental business.

Our cost and gross profit by revenue types are as follows:

	For the six months ended September 30, 2025			For the six months ended September 30, 2024					
Category	**Cost of revenue**	**Gross profit**	**Gross profit as a % of Total Revenues**	**Cost of revenue**	**Gross profit**	**Gross profit as a % of Total Revenues**	**Variance in Cost of revenue**	**Variance in gross profit**	**Variance in gross profit as a % of Total Revenues**
Rent	$ -	$ -	n/a	$2,318,564	$505,902	17.8%	$ (2,318,564)	$(505,902)	n/a
Tuition	121,909	289,064	70.3%	146,524	303,120	67.4%	(24,615)	(14,056)	2.9%
Cost of sales	28,778	(5,103)	(21.6)%	26,869	49,259	64.7%	1,909	(54,362)	(86.3)%
Total	$150,687	$283,961	65.3%	$2,491,957	$855,281	25.6%	$ (2,341,270)	$(571,320)	39.7%

Cost of revenue for our rental business decreased by $2.3 million to $nil for the six months ended September 30, 2025 from $2.3 million for the same period last year. Gross profit from rental business also decreased $0.5 million as compared to the same period last year. There was no rental income or related costs during the six months ended September 30, 2025 due to the receivership of the 95/105 Moatfield Drive properties in September 2024 and the disposition of the Company's equity interests in Animation and NeoCanaan, which held the two office buildings, in December 2024.

Cost of revenue for our education segment decreased by $24,615 to $121,909 for the six months ended September 30, 2025 from $146,524 for the same period last year. Gross profit from our education business slightly decreased $14,056 as compared to the same period last year. Our gross margin increased from 67.4% for the six months ended September 30, 2024 to 70.34% for the six months ended September 30, 2025. The increase in gross margin was mainly due to sharing of staffing costs among different subsidiaries. We believed that the combination of online self-learning, online interactive instructions, as well as in-person education in our education platforms, MTM Animation and vocational college provided by our qualified instructors will be our competitive advantage compared to other education providers.

General and administrative expenses

Our general and administrative expenses primarily include office expenses, rent, travel expenses, commission expense, property tax, utilities, insurance expenses, interest penalties and depreciation and amortization expenses. General and administrative expenses increased by $82,611, or 63.3%, to $213,211 for the six months ended September 30, 2025, from $130,600 for the same period last year.

The increase was primarily attributable to additional rental expenses incurred by MTM following its relocation from the 95 Moatfield facility in September 2024, which continued into 2025.

Professional fees

Our professional fees decreased by $0.6 million, or 94.8%, to $33,709 for the six months ended September 30, 2025, from $0.7 million for the same period last year. The decrease was primarily attributable to lower consulting and professional fees incurred during the current period.

Salaries and compensations

Our salaries and compensations decreased by $2,902, or 1.2%, to $240,137 for the six months ended September 30, 2025, from $243,039 for the same period last year. The slight decrease was primarily attributable to cost control measures within the administrative functions of our rental and education businesses.

Interest expense, net

Our interest expense decreased by $0.6 million, or 23.5%, to $1.8 million for the six months ended September 30, 2025, from $2.4 million for the same period last year. The decrease was mainly due to the disposition of two buildings under Animation and NeoCanaan in December 2024 and the mortgage balances related to these two buildings are paid off. In addition, the convertible note has a principal amount of $1.5 million and bears interest at the greater of the sum of the prime rate plus four and a half percent (4.5%) per annum and nine percent (9%) per annum. The note was converted into common shares in June 2023.

Loss on derivative liabilities and warrants expense

On September 19, 2022, the Company entered into an Amended and Restated Securities Purchase Agreement (the “SPA”) with an accredited investor (the “Purchaser”), to issue and sell to the Purchaser a senior secured convertible note of the Company in the principal amount of $1.5 million (the “Note”), and a Series A Warrant and a Series B Warrant to purchase additional common shares of the Company (the Series A Warrant and the Series B Warrant are collectively referred to as the “Warrants”). The Note issued on September 19, 2022 is convertible, in whole and in part, from time to time at the option of the Purchaser commencing March 19, 2023 into the Company’s common shares at a conversion price equal to the lower of $4.00, and the greater of $0.22 floor price (or such floor price then in effect) (the “Floor Price”) and 85% of the lowest trading price of our common shares during the 15 consecutive trading day period preceding the delivery of the conversion notice.

We recorded $893,878 debt component and $443,208 embedded derivatives at the inception date on September 19, 2022. The note was fully converted into the common shares from June to August 2023. For the six months ended September 30, 2023, we recorded a gain of 0.4 million due to the conversion. We recognized day 1 loss of $1,565,570 due to fair value assessment on warrants A and B on September 19, 2022. On May 15, 2023, warrants B was exchanged for 1 million common shares. A gain of $880,810 was recorded due to fair value assessment on warrants A and the cancellation of warrants B for the six months ended September 30, 2023.

We recorded $3.2 million loss on fair value assessment of warrants A for the six months ended September 30, 2024.

Loss before income taxes

Our loss before income taxes was approximately $2.0 million for the six months ended September 30, 2025, compared to $5.8 million for the same period in last year. The decrease was primarily attributable to a decrease of $0.6 million in interest expenses We had loss on derivative liabilities of $nil million for the six months ended September 30, 2025, compared to $3.2 million for the same period in last year.

Provision for income taxes

Our provision for income taxes was $nil million and $0.1 million for the six months ended September 30, 2025 and 2024, respectively.

Net loss

Our net loss was approximately $2.0 million for the six months ended September 30, 2025, compared to $5.8 million for the same period in last year. The decrease was primarily attributable to a decrease of $0.6 million in interest expenses for the six months ended September 30, 2025, as well as the loss of $3.2 million as of the result of fair value assessment on warrants A on September 30, 2024.

Cash Flows

For the Six Months Ended September 30, 2025 and 2024

The following table sets forth summary of our cash flows for the periods indicated:

	For the Six Months Ended September 30,	
	2025	**2024**
Net cash used in operating activities	$ (194,485)	$ (1,144,426)
Net cash provided by investing activities	46,681	76,200
Net cash (used in) provided by financing activities	(121,403)	672,014
Effect of exchange rate change on cash	74,716	(10,482)
Net decrease in cash and cash equivalents	(194,491)	(406,694)
Cash and cash equivalents beginning of period	572,107	773,344
Cash and cash equivalents, end of period	$ 377,616	$ 366,650

	For the Six Months Ended September 30,	
	2025	**2024**
Net loss for the period	$ (2,003,867)	$ (5,807,142)
Depreciation and amortization	5,303	1,020,542
(Loss) on warrants	-	3,180,424
Stock based compensation	-	478,800
Deferred tax assets	-	105,332
Other non-cash items	-	16,122
Changes in working capital	1,804,079	(138,504)
Net cash used in operating activities	$ (194,485)	$ (1,144,426)

Operating Activities

Net cash used in operating activities was approximately $0.2 million for the six months ended September 30, 2025, compared to cash used in operating activities of approximately $1.1 million for the same period last year. The decrease in net cash operating activities was primarily attributable to the following factors:

- The accounts payable increased by approximately $1.5 million for the six months ended September 30, 2025, as compared to an increase of approximately $0.5 million for the same period last year. The increase is largely attributable to be accrued interest expenses for six months period related to 95/105 Moatfield buildings.

- Income tax payable increased by approximately $0.1 million for the six months ended September 30, 2025, as compared to a decrease of approximately $0.2 million for the same period last year. The increase was mainly due to a income tax provision for product sales at Guangdong Yuanjian.

- Plus:
  We had net loss of $2.0 million for the six months ended September 30, 2025, after the adjustments of all non-cash items, compared to a net loss of $5.8 million for the six months ended September 30, 2024, after the adjustments of all non-cash items.

Investing Activities

Net cash provided in investing activities was approximately $46,681 for the six months ended September 30, 2025, compared to the net cash provided by investing activities of $76,200 for the same period last year. The decrease in net cash provided by investing activities was primarily attributable to lower advances received from related parties during the period.

Financing Activities

Net cash used in financing activities was approximately $0.1 million for the six months ended September 30, 2025, compared to the net cash provided by financing activities of $0.7 million for the same period last year. The increase of net cash used in financing activities was primarily attributable to withdraw by our controlling shareholder Ms. Fan Zhou during the six months period ended September 30, 2025. During the six-month ended September 30, 2024, our controlling shareholder Ms. Fan Zhou injected approximately $0.2 million from her advance account to the Company and other executive and management injected approximately $0.2 million to the Company. We also arranged approximately $0.5 million loan from third parties to support the Company's daily operation.

Recent Updates

Order of receivership

On August 27, 2024, the Ontario Superior Court of Justice (Commercial List) issued an order appointing Ernst & Young Inc. as the receiver (the "Receiver") of 13995291 Canada Inc. (the "13995291 Canada"), a wholly-owned subsidiary of the Company located in Toronto, Ontario. The application was filed by Bank of China (Canada) under section 243(1) of the Bankruptcy and Insolvency Act (BIA) and section 101 of the Courts of Justice Act (CJA). The Bank of China (Canada) (BOCC) originally provided a CAD 60 million loan to 13995291 Canada. BOCC demanded early repayment and filed a lawsuit with the Ontario Superior Court. On September 5, 2024, 13995291 Canada has submitted an appeal of the Court Order to the Court of Appeal Ontario. In September 2024, the Company filed an appeal. On February 24, 2025, the Ontario court ruled that the 95-105# buildings could be publicly sold following the court order's sale process by the Receiver. However, the Company retains a redemption right within 19 weeks. Please see the Court order as the attachment.

Entry into a Security Purchase Agreement

On October 2, 2024, the Company entered into a Securities Purchase Agreement (the "SPA") with an accredited investor (the "Buyer"), to issue and sell to the Buyer one or more new series of senior secured convertible notes of the Company, in the aggregate original principal amount of $6,000,000 (the "Notes"). At the closing held on October 2, 2024 (the "Initial Closing"), the Company has issued and sold to the Buyer a Note in the aggregate principal amount of $1,000,000 (the "Initial Note"). In accordance with the SPA, the Buyer may elect to purchase one or more additional Notes (each an "Additional Note" and collectively, the "Additional Notes", and together with the Initial Note, the "Notes"), provided that, if the Buyer does not elect to purchase Additional Notes within twenty-four months of the anniversary of the Effective Date (as defined in the Registration Statement) of the initial Registration Statement (as defined in the Registration Statement) or such later date as the Required Holders (as defined in the SPA) may elect from time to time in writing to the Company, the Buyer shall have no further right to effect an Additional Closing. The Initial Note matures on October 2, 2025, or earlier under certain conditions set forth in the SPA, and remains outstanding and unsettled to date.

Entry into a Securities Purchase Agreement

On December 31, 2024, the Company entered into a Securities Purchase Agreement with certain investors, pursuant to which the Company agreed to sell, and the investors, severally and not jointly, agreed to purchase an aggregate of 21,000,000 common shares of the Company at a price of $1.00 per share for an aggregate consideration of $21,000,000. While we anticipated a first-quarter 2025 closing, the regulatory approval process is still ongoing and has not yet concluded.

Entry into a Merger and Listing Agreement

On January 2, 2025, the Company entered into a Merger and Listing Agreement with Smarco Building Solutions Inc. ("Smarco") and its two shareholders. Pursuant to the agreement, the Company agreed to issue an aggregate of 555,556 of its common shares, no par value per share, to the two shareholders of Smarco at a price reflecting a 50% discount on the closing price of the common shares on the Nasdaq Capital Market on January 2, 2025 (the closing price on such date was $2.376). In exchange, the two shareholders agreed to transfer 60% of the outstanding shares of Smarco to the Company. While we anticipated a first-quarter 2025 closing, the regulatory approval process is still ongoing and has not yet concluded.

Entry into a Cooperation Agreement

On December 30, 2024, the Company entered into a Cooperation Agreement (the "UBX Agreement") with UBX Technology Inc. ("UBX") for the establishment of a joint venture company to be named Goldmine Technology Finance Group Inc. ("Goldmine") and engaging in the business of digital currency technology digital currency exchange. Pursuant to the UBX Agreement, the Company will invest $1.5 million in exchange for a 51% equity interest in Goldmine, and UBX will invest cash and tangible and intangible assets including licenses and permits, patents and personnel relating to digital currency technology and digital currency exchange, in exchange for a 49% equity interests in Goldmine. The transaction is expected to close in the first half 2025, subject to customary closing conditions.

On the same day, the Company also entered into a Cooperation Agreement (the "Gensea Agreement") with Gensea International Co. Limited ("Gensea") and Gensea's controlling shareholder for the establishment of a joint venture company, to be named American Precision Biotech Inc. ("APB") and engaging in the business of research & development, manufacturing and sales of cancer self-test kits. Pursuant to the Gensea Agreement, the Company will invest $1 million in exchange for a 51% equity interests in APB, and Gensea will invest patent license, licenses and permits, customer resources and existing projects relating to cancer self-test kits, in exchange for a 49% equity interests in APB. While we anticipated a first-quarter 2025 closing, the regulatory approval process is still ongoing and has not yet concluded.

Insurance and sales of convertible note

On January 31, 2025, the Company issued and sold to an accredited investor (the "Buyer") a convertible note (the "Note") in the aggregate principal amount of $1,500,000, pursuant to a Securities Purchase Agreement (the "SPA") dated as of October 2, 2024. The Note was sold as an Additional Note as described in the SPA, after an initial note was sold to the Buyer on October 2, 2024 pursuant to the SPA.

The Note was subject to an original issue discount of 10%, and is convertible, in whole and in part, from time to time at the option of the Buyer commencing on or after the earlier of (i) July 2, 2025 and (ii) twenty (20) Trading Days prior to the date that any Permitted Securities (as defined in the SPA) may be initially sold, exercised, converted, exchanged, as applicable, after giving effect to any related Lock-Up Agreement with respect thereto, and (y) the initial date of any event of default, as applicable, into the Company's common shares (the "Common Shares") at a conversion price equal to the lower of (i) $2.25, and (ii) the greater of (x) the floor price then in effect and (y) 85% of the lowest trading price of the Common Shares during the 15 consecutive trading day period preceding the delivery of the conversion notice. The Buyer paid $1,350,000 for the Note giving effect to the 10% original issue discount, less certain fees, and expenses payable by the Company. The Note may not be converted to the extent that the number of Common Shares owned by the Buyer and its affiliates will exceed 9.99% of the issued and outstanding shares of the Company at the time of conversion.

The Note matures on January 31, 2026, or earlier under certain conditions, and the current arrangement remains in place.