Shenzhen Vision Alliance Certified Public Accountants (General Partnership)

TO Shenzhen CP Plus International Ltd

Auditor's report

April 1, 2025 to March 31, 2026

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Ref.Shenhongxin(2026)No.151

Auditor's report

TO all shareholders of Shenzhen CP Plus International Ltd：

I. Audit opinion

We have audited the accompanying financial statements of Shenzhen CP Plus International Ltd(hereinafter referred to as CP Plus Company),which include the Balance sheet as at March 31, 2026, the Income statement, the Cash Flow Statement, the Statement of Change in Owner's Equity and Notes to the Financial Statements for April 1, 2025 to March 31, 2026.

In our opinion, the attached financial statements were prepared in accordance with the provisions of the Accounting Standards for Business Enterprises in all major aspects, and fairly reflected the financial status of CP Plus Company at March 31, 2026 ,as well as its operating results and cash flows for April 1, 2025 to March 31, 2026.

II. Basis for audit opinion

We carried out the audit according to the Chinese CPA audit standard. The "CPA's responsibility for financial statement audits" section of the Auditor's report further elaborates our responsibilities under these guidelines.

In accordance with the Code of Professional ethics of Chinese CPA, we are independent of CP Plus Company,and perform other responsibilities of professional ethics.

We believe that the audit evidence we have obtained is adequate and appropriate and provides the basis for the publication of the audit opinion.

III. Other information

CP Plus Company management is responsible for other information. Other information includes information covered in CP Plus Company's annual report, but excludes financial statements and our Auditor's report.

Our audit opinion on the financial statements does not cover other information, and we do not issue any form of assurance conclusion on other information.Based on the work we have performed, if we determine that there are significant misstatements in other information, we should report that fact. We have nothing to report in this regard.

Based on our audit of the financial statements, our responsibility is to read other information and, in the process, consider whether there are significant inconsistencies or material misstatements with the financial statements or the information we have learned during the audit.

IV. Responsibilities of management and governance for financial statements

CP Plus Company management is responsible for preparing financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises, so that they can be fairly reflected, and designing, implementing and maintaining necessary internal controls so that there is no material misstatement caused by fraud or error in the financial statements.

When preparing financial statements, the management is responsible for evaluating the going concern ability of CP Plus Company， disclosing matters related to going concern (if applicable) and applying the going concern assumption, unless the management plans to liquidate CP Plus Company, terminate its operation or have no other realistic choice.

Governance is responsible for overseeing the financial reporting process of CP Plus Company.

V. CPA' Responsibilities for Audit of financial statements

Our goal is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report containing an audit opinion. Reasonable assurance is a high-level assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect the existence of a material misstatement. Misstatements may be caused by fraud or error, and are generally considered material if it is reasonably expected that the misstatements, individually or in aggregate, may affect the economic decisions made by financial statement users based on the financial statements.

In the process of conducting audit work in accordance with auditing standards, we applied professional judgment and maintained professional skepticism. At the same time, we also carried out the following tasks:

1. Identify and evaluate the risks of material misstatement in financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain sufficient and appropriate audit evidence as the basis for issuing audit opinions. Due to the fact that fraud may involve collusion, forgery, intentional omission, false statements, or override of internal controls, the risk of failing to detect material misstatements caused by fraud is higher than the risk of failing to detect material misstatements caused by errors.

2. Understand internal controls related to auditing in order to design appropriate audit procedures, but the purpose is not to express an opinion on the effectiveness of internal controls.

3. Evaluate the appropriateness of management's selection of accounting policies and the reasonableness of accounting estimates and related disclosures.

4. Draw a conclusion on the appropriateness of the assumption of going concern used by management.

At the same time, according to the obtained audit evidence, it is concluded whether there is significant uncertainty about the matters or situations that may lead to significant doubts about the ability of CP Plus Company to continue to operate.

If we conclude that there is significant uncertainty, audit standards require us to draw the attention of report users to relevant disclosures in the financial statements in the Auditor's report; If the disclosure is insufficient, we should express a non unqualified opinion.Our conclusion is based on the information available as of the Auditor's report date.

However, future events or circumstances may cause CP Plus Companyto be unable to continue to operate.

5. Evaluate the overall presentation, structure, and content (including disclosure) of financial statements, and assess whether the financial statements fairly reflect relevant transactions and events.

We communicate with the governance regarding the planned audit scope, timeline, and significant audit findings, including the internal control deficiencies that we have identified during the audit that are worth noting.

Shenzhen Vision Certified Public Accountants (General Partnership)

China. Shenzhen

Chinese Certified Public Accountant:

Chinese Certified Public Accountant:

May 12th, 2026

Balance sheet

March 31, 2026

Enterprise 01 Form

Prepared by:Shenzhen CP Plus International Ltd

Unit of Amount: RMB

Assets	Notes	Closing balance	Opening balance
Current assets:			
Monetary funds	VII.1	476,139.60	262,240.63
Trading financial assets		-	-
Derivative financial assets		-	-
Notes receivable		-	-
Accounts receivable	VII.2	1,556,596.58	1,493,436.78
Receivables financing		-	-
Prepayments	VII.3	20,100.00	-
Other receivables	VII.4	54,873.00	23,628.00
Inventories		-	-
Contract assets		-	-
Assets held for sale		-	-
Non-current assets due within one year		-	-
Other current assets		-	-
Total current assets		**2,107,709.18**	**1,779,305.41**
Non-current assets:			
Debt investments		-	-
Other debt investments		-	-
Long-term receivables		-	-
Long-term equity investments		-	-
Other equity instrument investments		-	-
Other non-current financial assets		-	-
Investment property		-	-
Fixed assets	VII.5	28,500.00	-
Construction in progress		-	-
Productive biological assets		-	-
Oil and gas assets		-	-
Right-of-use assets		-	-
Intangible assets		-	-
Development expenditure		-	-
Goodwill		-	-
Long-term deferred expenses		-	-
Deferred tax assets		-	-
Other non-current assets		-	-
Total non-current assets		**28,500.00**	-
Total Assets		**2,136,209.18**	**1,779,305.41**

The notes to the financial statements are an integral part of the financial statements

Legal representative: Chief of accounting work: Chief of accounting organ:

Balance Sheet (Continued)

March 31, 2026

Enterprise 01 Form

Prepared by:Shenzhen CP Plus International Ltd

Unit of Amount: RMB

Liabilities and owner's equity (or shareholder's equity)	Notes	Closing balance	Opening balance
Current liabilities:			
Short-term borrowings		-	-
Trading financial liabilities		-	-
Derivative financial liabilities		-	-
Notes payable		-	-
Accounts payable	VII.6	36,600.00	19,300.00
Advance receipts		-	-
Contract liabilities		-	-
Payroll payable	VII.7	248,099.87	87,216.17
Tax payable	VII.8	39,059.95	27,844.24
Other payables	VII.9	45,392.85	6,393.41
Liabilities held for sale		-	-
Non-current liabilities due within one year		-	-
Other current liabilities		-	-
Total Current Liabilities		**369,152.67**	**140,753.82**
Non-current liabilities:			
Long-term borrowings		-	-
Bonds payable		-	-
Including:Preferred stock			
Perpetual bonds			
Lease liabilities		-	-
Long-term payables		-	-
Estimated liabilities		-	-
Deferred income		-	-
Deferred tax liabilities		-	-
Other non-current liabilities		-	-
Total Non-current Liabilities		-	-
Total liabilities		**369,152.67**	**140,753.82**
Owner's equity (or shareholder's equity):			
Paid in capital (or share capital)	VII.10	1,174,782.52	1,174,782.52
Other equity instruments		-	-
Including: Preferred Stock			
Perpetual bonds			
Capital reserve	VII.11	5,941.91	5,941.91
Less: Treasury shares		-	-
Other comprehensive income		-	-
Special reserve		-	-
Surplus reserve	VII.12	53,577.61	-
Undistributed profits	VII.13	532,754.47	457,827.16
Total owner's equity (or shareholder's equity)		**1,767,056.51**	**1,638,551.59**
Total liabilities and owner's equity (or shareholder's equity)		**2,136,209.18**	**1,779,305.41**

The notes to the financial statements are an integral part of the financial statements

Legal representative: Chief of accounting work: Chief of accounting organ:

Income statement

April 1, 2025 to March 31, 2026

Enterprise 02 Form

Prepared by:Shenzhen CP Plus International Ltd

Unit of Amount: RMB

Items	Notes	Current period amount	Previous period amount
I. Operating income	VII.14	2,865,337.18	1,842,821.72
Less: **Operating costs**		-	-
Taxes and surcharges	VII.15	10,249.38	5,999.30
Selling expenses		6,830.77	6,290.59
Administrative expenses		2,631,152.48	1,784,829.05
Research and development expenses		-	-
Financial expenses	VII.16	57,257.50	-40,347.83
Including:Interest expenses		-	-
Interest income		-279.89	-172.23
Add: Other income		-	-
Investment income ("-" for loss)		-	-
Including:Investment income in associates and joint ventures		-	-
Derecognition income of financial assets measured at amortized cost ("-" for loss)		-	-
Net exposure hedge gains ("-" for loss)		-	-
Gain from changes in fair value ("-" for loss)		-	-
Credit impairment losses ("-" for loss)		-	-
Asset impairment losses ("-" for loss)		-	-
Asset disposal income ("-" for loss)		-	-
II Operating profit ("-" for loss)		**159,847.05**	**86,050.61**
Add: Non-operating income		238.15	2,944.00
Less: Non-operating expenses		23,645.67	1,238.89
III Total profit ("-" for loss)		**136,439.53**	**87,755.72**
Less: Income tax expenses		7,934.61	20,027.26
IV. Net profit ("-" for loss)		**128,504.92**	**67,728.46**
(1) Net profit from continuing operations ("-" for loss)		128,504.92	67,728.46
(II) Net profit from discontinuing operations ("-" for loss)		-	-
V. Other comprehensive income (net of tax)		-	-
(1) Items that cannot be reclassified into profit or loss		-	-
1. Remeasure of defined benefit plan changes			
2. Other comprehensive income that cannot be convertible into profit or loss under the equity method			
3. Changes in fair value of other equity tools investments			
4. Changes in fair value of enterprise credit risk			
(II) Items that will be reclassified into profit or loss		-	-
1. profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Financial assets reclassified into other comprehensive income			
4. Credit impairmentof other debt investments			
5. Cash flow hedging reserves			
6. Translation difference of foreign currency financial statements			
VI Total comprehensive income		**128,504.92**	**67,728.46**
VII. Earnings per share			
(1) Basic earnings per share			
(II) Diluted earnings per share			

The notes to the financial statements are an integral part of the financial statements

Legal representative: Chief of accounting work: Chief of accounting organ:

Cash Flow Statement

April 1, 2025 to March 31, 2026

Enterprise 03 Form

Prepared by:Shenzhen CP Plus International Ltd

Unit of Amount: RMB

	Items	Notes	Current period amount	Previous period amount
I.	**Cash flows from operating activities:**			
	Cash received from selling goods and providing services		2,926,517.12	2,108,268.37
	Refund of taxes		-	-
	Received other cash related to operating activities		279.89	3,116.23
	Sub-total of cash inflows from operating activities		**2,926,797.01**	**2,111,384.60**
	Cash paid for purchasing goods and receiving labor services		43,600.00	19,137.00
	Cash paid to and for employees		2,126,733.60	1,531,996.61
	Taxes paid		190,036.50	197,441.42
	Other cash payments related to operating activities		316,108.91	235,291.56
	Sub-total of cash outflows from operating activities		**2,676,479.01**	**1,983,866.59**
	Net cash flows from (used in) operating activities		**250,318.00**	**127,518.01**
II.	**Cash flows from investing activities:**			
	Cash received from disposal of investments		-	-
	Cash received from obtaining investment returns		-	-
	Net cash received from disposal of fixed assets, intangible assets, and other long-term assets		-	-
	Net cash received from disposal of subsidiaries and other operating units		-	-
	Received cash related to other investment activities		-	-
	Sub-total of cash inflows from investing activities		-	-
	Cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets		28,500.00	-
	Cash paid for investment		-	-
	Net cash received from subsidiaries and other operating units		-	-
	Pay other cash related to investment activities		-	-
	Sub-total of cash outflows from investing activities		**28,500.00**	-
	Net cash flows used in investing activities		**-28,500.00**	-
III.	**Cash flows from financing activities:**			
	Cash received from investments by others		-	-
	Cash received from obtaining loans		-	-
	Received other cash related to financing activities		-	-
	Sub-total of cash inflows from financing activities		-	-
	Cash repayments of amounts borrowed		-	-
	Cash paid for distributing dividends, profits, or paying interest		-	-
	Pay other cash related to financing activities		-	-
	Sub-total of cash outflows from financing activities		-	-
	Net cash from financing activities		-	-
IV.	**Effects of foreign exchange rate changes on cash and cash equivalents**		-7,919.03	376.04
V.	**Net increase in cash and cash equivalents**		**213,898.97**	**127,894.05**
Add:	Opening cash and cash equivalents balance		262,240.63	134,346.58
VI.	**Cash and cash equivalents at the end of the period**		**476,139.60**	**262,240.63**

The notes to the financial statements are an integral part of the financial statements

Legal representative: Chief of accounting work: Chief of accounting organ:

Statement of Changes in Owner's Equity

April 1, 2025 to March 31, 2026

Enterprise 04 Form

Prepared by:Shenzhen CP Plus International Ltd

Unit of Amount: RMB

	Items	Current period amount										
		Paid-up capital (or share capital)	Other equity tools			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total owner's equity
			Preferred stock	Perpetual bonds	Others							
I	**Balance at the end of last year**	1,174,782.52	-	-	-	5,941.91	-	-	-	-	457,827.16	1,638,551.59
Add:	Changes in accounting policies											-
	Correction of previous errors											-
	Others											-
II	**Balance at the beginning of this year**	1,174,782.52	-	-	-	5,941.91	-	-	-	-	457,827.16	1,638,551.59
III	**Changes in equity for the period**	-	-	-	-	-	-	-	-	53,577.61	74,927.31	128,504.92
(I)	Total comprehensive income							-			128,504.92	128,504.92
(II)	Owners invest and reduce capital	-	-	-	-	-	-	-	-	-	-	-
1.	Owners invest in common stock											-
2.	Invested capital of Other equity tools holder											-
3.	Share-based paymentincluded in the owner's equity											-
4.	Others											-
(III)	Withdrawal and use of special reserve	-	-	-	-	-	-	-	-	-	-	-
1.	Withdrawal of special reserve								-			-
2.	Use of special reserve											-
(IV)	Profit distribution	-	-	-	-	-	-	-	-	53,577.61	-53,577.61	-
1.	Withdrawal of surplus reserve									53,577.61	-53,577.61	-
2.	Distribution to owners										-	-
3.	Others											-
(V)	Transfers within owners' equity	-	-	-	-	-	-	-	-	-	-	-
1.	Capital reserve transferred to capital											-
2.	Surplus reserve transferred to capital											-
3.	Surplus reserve cover the deficit											-
4.	Changes in defined benefit plan transferred to retained earnings											-
5.	Other comprehensive income transferred to retained earnings											-
6.	Others											-
IV	**Balance at the end of this year**	1,174,782.52	-	-	-	5,941.91	-	-	-	53,577.61	532,754.47	1,767,056.51

The notes to the financial statements are an integral part of the financial statements

Legal representative: Chief of accounting work: Chief of accounting organ:

Statement of Changes in Owner's Equity (Continued)

April 1, 2024 to March 31, 2025

Enterprise 04 Form

Prepared by:Shenzhen CP Plus International Ltd

Unit of Amount: RMB

	Items	Previous period amount										
		Paid-up capital (or share capital)	Other equity tools			Capital reserve	Less: Treasury shares	Other comprehensive	Special reserves	Surplus reserve	Undistributed profit	Total owner's equity
			Preferred stock	Perpetual bonds	Others							
1	**Balance at the end of last year**	1,174,782.52				5,941.91					390,098.70	1,570,823.13
Add:	Changes in accounting policies											-
	Correction of previous errors											-
	Others											-
II	**Balance at the beginning of this year**	1,174,782.52	-	-	-	5,941.91	-	-	-	-	390,098.70	1,570,823.13
III	**Changes in equity for the period**	-	-	-	-	-	-	-	-	-	67,728.46	67,728.46
(I)	Total comprehensive income							-			67,728.46	67,728.46
(II)	Owners invest and reduce capital	-	-	-	-	-	-	-	-	-	-	-
1.	Owners invest in common stock											-
2.	Invested capital of Other equity tools holder											-
3.	Share-based paymentincluded in the owner's equity											-
4.	Others											-
(III)	Withdrawal and use of special reserve	-	-	-	-	-	-	-	-	-	-	-
1.	Withdrawal of special reserve								-			-
2.	Use of special reserve											-
(IV)	Profit distribution	-	-	-	-	-	-	-	-	-	-	-
1.	Withdrawal of surplus reserve									-	-	-
2.	Distribution to owners										-	-
3.	Others											-
(V)	Transfers within owners' equity	-	-	-	-	-	-	-	-	-	-	-
1.	Capital reserve transferred to capital											-
2.	Surplus reserve transferred to capital											-
3.	Surplus reserve cover the deficit											-
4.	Changes in defined benefit plan transferred to retained earnings											-
5.	Other comprehensive income transferred to retained earnings											-
6.	Others											-
IV	**Balance at the end of this year**	1,174,782.52	-	-	-	5,941.91	-	-	-	-	457,827.16	1,638,551.59

The notes to the financial statements are an integral part of the financial statements

Legal representative:

Chief of accounting work:

Chief of accounting organ:

Shenzhen CP Plus International Ltd
Notes to the financial statements

April 1, 2025 to March 31, 2026 Unit of Amount: RMB

I Basic information

(I) Company Overview

Shenzhen CP Plus International Ltd (Hereinafter referred to as the Company or Company) was registered on December 30, 2016 at Shenzhen Market Supervision and Administration Bureau.Legal Representative:SHARMA MONIKA,Its unified social credit Code is 91440300MA5DRNG187,Company registration capital is RMB4,000,000.Registered address of the company: Room911-1, Changhong Science and Technology Building, No.18, Science and Technology South 12th Road, Community High-tech Zone, Yuehai Street, Nanshan District, Shenzhen.

(II) Business scope of the company

Scope of business:Wholesale, retail, import and export, as well as related business of security products, monitoring products, communication products and electronic accessories ;business information consulting services; business management consultation (not involved with the management of state-run trade goods; commodities involved in quota license management and special regulations are dealt with according to the relevant provisions of the state).

II Preparation Basis of Financial Statements

(I) Preparation Basis

The company recognizes and measures actual transactions and events in accordance with the "Enterprise Accounting Standards - Basic Standards" issued by the Ministry of Finance, specific enterprise accounting standards, application guidelines for enterprise accounting standards, interpretations of enterprise accounting standards, and other relevant regulations (hereinafter referred to as "Accounting Standards for Business Enterprises").

(II) Going Concern

The company has evaluated its ability to continue as a going concern for the 12 months starting from the end of the reporting period and has not identified any significant issues or circumstances that raise doubts about its ability to continue as a going concern. Therefore, this financial statement is prepared on the basis of the going concern assumption.

III Declaration of Compliance with Enterprise Accounting Standards

The financial statements prepared by The company comply with the requirements of the Enterprise Accounting Standards, and truthfully and completely reflect the financial position of The company at the end of the period, as well as relevant information such as operating results and cash flows for the current period.

IV Main accounting policies and accounting estimates

(I) Accounting period

The company's accounting year adopts the Gregorian calendar year, which is from January 1st to December 31st each year.The accounting period of this report is from April 1, 2025 to March 31, 2026 due to the need for unified accounting of the parent company.

(II) Operating Cycle

The company's business cycle is 12 months.

(III) Recording currency

RMB is the currency of the main economic environment in which The company operates, and we use RMB as our accounting base currency. The currency used by The company in preparing these financial statements is RMB.

(IV) Determination criteria for cash and cash equivalents

The company's cash and cash equivalents include cash on hand, deposits that can be used for payment at any time, and investments held by The company with short maturities (usually due within three months from the purchase date), strong liquidity, easy conversion to known amounts of cash, and minimal risk of value changes.

(V) Foreign currency translation

All foreign currency transactions of The company are initially recognized and presented in the functional currency based on the market exchange rate on the transaction date. On the balance sheet date, foreign currency monetary assets and liabilities are converted into the functional currency at the market exchange rate on the balance sheet date. Exchange differences arising from the liquidation or conversion of monetary items are recognized in the current period's profit and loss. But if foreign currency monetary assets or liabilities are used to hedge net investments in overseas operations, exchange differences are directly recognized in other comprehensive income until the investment is disposed of, and the accumulated exchange differences are recognized as current period gains or losses. The taxes and fees arising from exchange differences related to these projects are included in other comprehensive income.

Foreign currency non monetary items measured at historical cost shall be translated at the foreign currency exchange rate on the initial transaction date; Foreign currency non monetary items measured at fair value are translated at the foreign currency exchange rate on the date of fair value recognition. Due to the goodwill generated by the acquisition of overseas business and the adjustment of the carrying value of assets and liabilities at fair value, they are treated as foreign currency assets and liabilities generated by overseas business and converted at the exchange rate on the balance sheet date. The resulting difference is recognized in the current period's profit or loss or other comprehensive income based on the nature of non monetary items.

On the balance sheet date, the assets and liabilities of overseas operating entities are reported in the currency of cost at the market exchange rate on the balance sheet date. Except for the "foreign currency statement translation difference" items in "undistributed profits" and "other comprehensive income" in the shareholder equity items, other items are translated at the spot exchange rate at the time of the initial transaction. The income and expense items in the income statement are converted at the weighted average exchange rate of the current year. The exchange differences arising from the above conversion shall be included in other comprehensive income. When disposing of overseas operating entities, the accumulated foreign currency translation differences related to the overseas entity listed under other comprehensive income items should be transferred to the current period's profit and loss.

Foreign currency cash flows and cash flows of overseas subsidiaries are converted using the average exchange rate of the current period in which the cash flows occur. The impact of exchange rate fluctuations on cash is separately reported in the cash flow statement as an adjustment item.

(VI) Financial instruments

Financial instruments refer to contracts that form financial assets of one party and financial liabilities or equity instruments of other parties. When the company becomes a party to a financial instrument contract, recognize the relevant financial assets or financial liabilities. Financial instruments include financial assets, financial liabilities, and equity instruments.

1 Financial assets

Financial assets are measured at fair value upon initial recognition. For financial assets measured at fair value with changes recognized in the current period's profit or loss, the related transaction costs are directly recognized in the current period's profit or loss; For other categories of financial assets, transaction costs are included in the initial recognition amount. The subsequent measurement of financial assets depends on their classification.

1.1 Classification of financial assets

Based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets, The company classifies financial assets into three categories at initial recognition: financial assets measured at amortized cost, financial assets measured at fair value with changes in fair value recognized in other comprehensive income, and financial assets measured at fair value with changes in fair value recognized in current profit or loss.

(1) Financial assets measured at amortized cost

The company classifies financial assets that meet the following conditions as financial assets measured at amortized cost:

① The company's business model for managing this financial asset is aimed at receiving contractual cash flows.

② The contractual terms of this financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal amount.

(2) Financial assets measured at fair value with changes recognized in other comprehensive income

The company classifies financial assets that meet the following conditions as financial assets measured at fair value with changes recognized in other comprehensive income:

① The company's business model for managing this financial asset is aimed at both receiving contractual cash flows and selling them.

② The contractual terms of this financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal amount.

(3) Financial assets measured at fair value with changes recognized in current profit or loss

The company classifies debt instruments held at fair value through profit or loss that are not classified into the two categories mentioned above as financial assets measured at fair value through profit or loss. At initial recognition, the Group designates some financial assets as financial assets measured at fair value with changes recognized in profit or loss to eliminate or significantly reduce accounting mismatches.

The investment in debt instruments is classified according to the business model of the investment and the cash flow characteristics of the contract. Financial assets that do not pass the cash flow characteristic test are directly classified as financial assets measured at fair value with changes recognized in current profit or loss; The final classification of those that pass the test depends on their business model. The fair value changes of equity instrument investments are usually recognized in profit or loss, except for those designated by the Company as measured at fair value with changes recognized in other comprehensive income.

1.2 Basis and measurement methods for recognizing financial assets

The debt instruments held by The company refer to instruments that meet the definition of financial liabilities from the perspective of the issuer, such as loans, government and corporate bonds, etc. They are measured using the following three methods based on the business model and contractual cash flow characteristics of managing financial assets:

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost include monetary funds, accounts receivable, debt investments, buy and sell financial assets, time deposits, long-term receivables, and loans and advances measured at amortized cost. They are initially measured at fair value, and related transaction costs are included in the initial recognition amount; Accounts receivable that do not include significant financing components and accounts receivable for which the company has decided not to consider financing components that do not exceed one year shall be initially measured at the contract transaction price.

After initial recognition, the actual interest rate method is used for subsequent measurement of such financial assets at amortized cost. Gains and losses arising from financial assets measured at amortized cost that are not part of any hedging relationship are recognized in the current period's profit or loss when derecognized, amortized using the effective interest method, or recognized for impairment.

(2) Financial assets measured at fair value with changes recognized in other comprehensive income

① Financial assets measured at fair value with changes in fair value recognized in other comprehensive income, including other debt investments, are initially measured at fair value and related transaction costs are included in the initial recognition amount. After initial recognition, financial assets of this type are subsequently measured at fair value. Interest, impairment losses or gains, and exchange gains or losses calculated using the effective interest rate method are recognized in the current period's income statement, while other gains and losses are recognized in other comprehensive income. When terminating recognition, the cumulative gains or losses previously recognized in other comprehensive income shall be transferred from other comprehensive income and included in the current period's profit or loss.

② Financial assets designated as measured at fair value with changes in fair value recognized in other comprehensive income, including other equity instrument investments, are initially measured at fair value and related transaction costs are included in the initial recognition amount. After initial recognition, financial assets of this type are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income and dividends obtained recognized in current profit or loss. When terminating recognition, the cumulative gains or losses previously recognized in other comprehensive income shall be transferred from other comprehensive income and recorded in retained earnings.

(3) Financial assets measured at fair value with changes recognized in current profit or loss

Financial assets measured at fair value with changes recognized in current profit or loss include trading financial assets, derivative financial assets, etc. They are initially measured at fair value, and related transaction costs are recognized in current profit or loss.

After initial recognition, financial assets of this type are subsequently measured at fair value, and changes in fair value are recognized in the current period's profit or loss. When terminating recognition, the resulting gains or losses will be recognized in the current period's profit or loss.

1.3 Derecognition of Financial Assets

When a company transfers financial assets, if almost all the risks and rewards of ownership of the financial assets have been transferred to the transferee, the recognition of the financial assets shall be terminated; If almost all risks and rewards of ownership of the financial asset are retained, the recognition of the financial asset shall not be terminated.

When determining whether the transfer of financial assets meets the above conditions for termination of recognition of financial assets, the principle of substance over form is adopted. The company divides the transfer of financial assets into overall transfer and partial transfer. If the overall transfer of financial assets meets the conditions for termination of recognition, the difference between the following two amounts shall be recognized in the current period's profit and loss:

(1)The book value of the transferred financial assets;

(2)The sum of the consideration received as a result of the transfer and the cumulative amount of fair value changes originally recorded directly in owner's equity (in the case where the transferred financial asset is an available for sale financial asset).

If the partial transfer of financial assets meets the termination recognition conditions, the overall book value of the transferred financial assets shall be amortized between the terminated recognition portion and the non terminated recognition portion based on their respective relative fair values, and the difference between the following two amounts shall be recognized in the current period's profit and loss:

(1)Terminate the book value of the confirmed portion;

(2)The consideration for the termination of recognition is the sum of the amount corresponding to the termination of recognition in the cumulative amount of fair value changes originally recorded directly in owner's equity (in the case where the transferred financial assets are available for sale financial assets).

If the transfer of financial assets does not meet the termination recognition criteria, the financial assets shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

1.4 Impairment of financial assets

Based on expected credit losses, The company performs impairment accounting treatment and recognizes loss provisions for financial assets classified as measured at amortized cost, financial assets measured at fair value with changes in fair value recognized in other comprehensive income, and financial guarantee contracts.

Expected credit loss refers to the weighted average of credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contract cash flows receivable and all expected cash flows received by the company based on the original actual interest rate, as well as the present value of all cash shortages. Among them, for financial assets purchased or generated by the company that have experienced credit impairment, they should be discounted at the actual interest rate adjusted for credit of the financial asset.

For accounts receivable formed by transactions regulated by income standards, The company uses simplified measurement methods to measure loss provisions based on an amount equivalent to the expected credit loss over the entire period of existence.

For financial assets with credit impairment that have been purchased or originated, only the cumulative changes in expected credit losses over the entire period of their existence since initial recognition are recognized as loss provisions on the balance sheet date. On each balance sheet date, the expected changes in credit losses over the entire period of existence shall be recognized as impairment losses or gains in the current period's income statement. Even if the expected credit loss over the entire duration determined on the balance sheet date is less than the amount of expected credit loss reflected in the estimated cash flows at initial recognition, favorable changes in expected credit loss are recognized as impairment gains.

Except for other financial assets that have undergone credit impairment due to the use of simplified measurement methods and purchases or sources mentioned above, the Company evaluates on each balance sheet date whether the credit risk of the relevant financial instruments has significantly increased since initial recognition, and measures their loss provisions, recognizes expected credit losses and their changes according to the following situations:

(1) If the credit risk of the financial instrument has not significantly increased since initial recognition and is in the first stage, the loss provision shall be measured at an amount equivalent to the expected credit loss of the financial instrument in the next 12 months, and interest income shall be calculated based on the book balance and actual interest rate.

(2) If the credit risk of the financial instrument has significantly increased since initial recognition but no credit impairment has occurred, it is in the second stage, and its loss provision is measured at an amount equivalent to the expected credit loss of the financial instrument throughout its entire existence, and interest income is calculated based on the book balance and actual interest rate.

(3) If the financial instrument has experienced credit impairment since its initial recognition and is in the third stage, the Company measures its loss provision based on an amount equivalent to the expected credit loss over the entire life of the financial instrument, and calculates interest income based on amortized cost and actual interest rate.

The increase or reversal amount of credit loss provisions for financial instruments shall be recognized as impairment losses or gains in the current period's income statement. Except for financial assets classified as measured at fair value with changes in fair value recognized in other comprehensive income, provisions for credit losses are offset against the carrying amount of financial assets. For financial assets classified as measured at fair value with changes recognized in other comprehensive income, the Company recognizes their credit loss provision in other comprehensive income and does not reduce the carrying amount of the financial asset on the balance sheet.

In the previous accounting period, The company had already measured the loss provision for the financial instrument at an amount equivalent to the expected credit loss over the entire life of the financial instrument. However, on the current balance sheet date, if the financial instrument no longer falls under the category of significantly increased credit risk since initial recognition, The company will measure the loss provision for the financial instrument at an amount equivalent to the expected credit loss over the next 12 months on the current balance sheet date. The reversal amount of the loss provision resulting from this will be recognized as impairment gains in the current period's profit and loss.

(1) Significant increase in credit risk

The company utilizes available and reasonable forward-looking information to determine whether the credit risk of financial instruments has significantly increased since initial recognition by comparing the risk of default on the balance sheet date with the risk of default on the initial recognition date. For financial guarantee contracts, when applying the provision for impairment of financial instruments, The company considers the date on which we become the party making an irrevocable commitment as the initial recognition date.

When evaluating whether credit risk has significantly increased, The company will consider the following factors:

① Whether there has been a significant change in the actual or expected operating results of the debtor;

② Whether there have been significant adverse changes in the regulatory, economic, or technological environment in which the debtor is located;

③ Whether there has been a significant change in the value of collateral used as collateral for debt or in the quality of guarantees or credit enhancements provided by third parties, which is expected to reduce the debtor's economic motivation to repay within the contractually stipulated period or affect the probability of default;

④ Whether there have been significant changes in the debtor's expected performance and repayment behavior;

⑤ Has there been any change in The company's credit management methods for financial instruments.

On the balance sheet date, if the Company determines that a financial instrument has only low credit risk, the Company assumes that the credit risk of the financial instrument has not significantly increased since initial recognition. If the default risk of a financial instrument is low, the borrower has a strong ability to fulfill its contractual cash flow obligations in the short term, and even if there are adverse changes in the economic situation and operating environment over a longer period of time, it may not necessarily reduce the borrower's ability to fulfill its contractual cash obligations, then the financial instrument is considered to have low credit risk.

(2) Financial assets that have experienced credit impairment

When one or more events that have an adverse impact on the expected future cash flows of a financial asset occur, the financial asset becomes a credit impaired financial asset. Evidence of credit impairment of financial assets includes the following observable information:

① The issuer or debtor experiences significant financial difficulties;

② The debtor violates the contract, such as defaulting or delaying the payment of interest or principal;

③ Creditors, due to economic or contractual considerations related to the debtor's financial difficulties, make concessions that the debtor would not make under any other circumstances;

④ The debtor is likely to go bankrupt or undergo other financial restructuring;

⑤ The financial difficulties of the issuer or debtor result in the disappearance of the active market for the financial asset;

⑥ Purchase or generate a financial asset at a significant discount that reflects the fact of credit loss.

Credit impairment of financial assets may be caused by the combined effect of multiple events, and may not necessarily be caused by individually identifiable events.

The company divides financial instruments into different combinations based on common credit risk characteristics. The common credit risk characteristics adopted by The company include: financial instrument type, credit risk rating, aging combination, contract settlement cycle, debtor's industry, etc. The individual evaluation criteria and combined credit risk characteristics of relevant financial instruments are detailed in the accounting policies of the relevant financial instruments.

The company determines the expected credit loss of relevant financial instruments according to the following methods:

① For financial assets, credit loss is the present value of the difference between the contracted cash flows that the company should receive and the expected cash flows received.

② For financial guarantee contracts, credit loss is the present value of the difference between the expected payment amount that the company will compensate the contract holder for the credit loss incurred, and the amount expected to be charged by the company to the contract holder, debtor, or any other party.

③ For financial assets that have experienced credit impairment on the balance sheet date but have not been purchased or originated, credit loss is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the original effective interest rate.

The factors reflected in The company's method of measuring expected credit losses of financial instruments include: the unbiased probability weighted average amount determined by evaluating a series of possible outcomes; Time value of money; Reasonable and evidence-based information about past events, current conditions, and future economic forecasts that can be obtained without unnecessary additional costs or efforts on the balance sheet date.

(3) Write down financial assets

When the company no longer reasonably expects the cash flow of financial asset contracts to be fully or partially recovered, the book balance of the financial asset shall be directly reduced. This write down constitutes the derecognition of the relevant financial assets.

2 Financial liabilities

2.1 Measurement of financial liability classification

At initial recognition, The company classifies financial liabilities as follows: financial liabilities measured at fair value with changes recognized in profit or loss, and financial liabilities measured at amortized cost.

（1） Financial liabilities measured at fair value with changes recognized in current profit or loss

Financial liabilities that meet one of the following conditions may be designated by the Company as financial liabilities measured at fair value with changes recognized in current profit or loss at the time of initial measurement:

① This item specifies the ability to eliminate or significantly reduce accounting mismatches.

② Manage and evaluate the financial liability portfolio or financial asset and financial liability portfolio based on fair value according to the enterprise risk management or investment strategy stated in formal written documents, and report to key management personnel within the enterprise.

③ Manage and evaluate the financial liability portfolio or financial asset and financial liability portfolio based on fair value according to the enterprise risk management or investment strategy stated in formal written documents, and report to key management personnel within the enterprise.

After initial recognition, financial liabilities of this type are subsequently measured at fair value, and changes in fair value are recognized in the current period's profit or loss. When terminating recognition, the resulting gains or losses will be recognized in the current period's profit or loss.

（2） Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, and long-term payables, which are initially measured at fair value and related transaction costs are included in the initial recognition amount.

After initial recognition, this type of financial liability is subsequently measured at amortized cost, and interest is calculated using the effective interest rate method and recorded in the current period's profit and loss. When terminating recognition, the resulting gains or losses will be recognized in the current period's profit or loss.

2.2 **Termination recognition of financial liabilities**

If the current obligations of a financial liability have been fully or partially released, the recognition of that financial liability or a portion thereof shall be terminated; If The company signs an agreement with creditors to replace existing financial liabilities by assuming new financial liabilities, and the contract terms of the new financial liabilities are substantially different from those of the existing financial liabilities, we will terminate the recognition of the existing financial liabilities and recognize the new financial liabilities at the same time.

If substantial modifications are made to all or part of the contractual terms of an existing financial liability, the recognition of the existing financial liability or a portion thereof shall be terminated, and the modified financial liability shall be recognized as a new financial liability.

When all or part of a financial liability is derecognized, the difference between the carrying amount of the derecognized financial liability and the consideration paid (including non cash assets transferred out or new financial liabilities assumed) is recognized in the current period's profit or loss.

If the company repurchases a portion of its financial liabilities, the overall book value of the financial liabilities shall be allocated on the repurchase date based on the relative fair value of the continuing recognition portion and the derecognized portion. The difference between the book value allocated to the derecognized portion and the consideration paid (including non cash assets transferred out or new financial liabilities assumed) is recognized in the current period's profit or loss.

3 **Fair value of financial instruments**

Financial assets or financial liabilities with an active market shall have their fair value determined by the quoted prices in the active market, unless the financial asset has a lock up period specific to the asset itself. For financial assets subject to restrictions on their sale, the compensation amount required by market participants for assuming the risk of being unable to sell the financial asset on the public market within a specified period shall be determined based on the quoted price in the active market. Active market quotations include quotes that are easily and regularly obtainable from exchanges, traders, brokers, industry groups, pricing agencies, or regulatory agencies for relevant assets or liabilities, and can represent actual and frequent market transactions on a fair trade basis.

The fair value of initially acquired or derived financial assets or assumed financial liabilities shall be determined based on market transaction prices.

Financial assets or liabilities that do not have an active market shall be valued using valuation techniques to determine their fair value. In valuation, the company adopts valuation techniques that are applicable in the current situation and supported by sufficient available data and other information, selects input values that are consistent with the asset or liability characteristics considered by market participants in transactions related to the asset or liability, and prioritizes the use of relevant observable input values as much as possible. Use unobservable input values when relevant observable input values cannot be obtained or are not feasible to obtain.

4 **Offset of financial instruments**

Financial assets and financial liabilities are presented separately in the balance sheet without offsetting each other. However, if the following conditions are met simultaneously, the net amount after offsetting each other shall be presented in the balance sheet:

①The company has the legal right to offset the confirmed amount, and this legal right is currently enforceable;

②The company plans to settle on a net basis or simultaneously realize the financial asset and settle the financial liability.

(Ⅶ) Fixed assets

1 **Recognition criteria for fixed assets**

Fixed assets refer to tangible assets held for the production of goods, provision of services, rental or business management, with a useful life exceeding one accounting year. Fixed assets are recognized when they meet the following conditions simultaneously:

(1) The economic benefits related to the fixed asset are likely to flow into the enterprise;

(2) The cost of the fixed asset can be reliably measured.

2 **Initial measurement of fixed assets**

The company's fixed assets are initially measured at cost. The cost of purchased fixed assets includes the purchase price, import tariffs, and other related taxes and fees, as well as other expenses directly attributable to the asset that occur before the fixed asset reaches its intended usable state. The cost of self constructing fixed assets consists of the necessary expenses incurred before the asset reaches its intended usable state. The fixed assets invested by investors shall be recorded at the value agreed upon in the investment contract or agreement, but if the value agreed upon in the contract or agreement is unfair, it shall be recorded at fair value. If the purchase price of fixed assets exceeds the normal credit conditions and is deferred payment, which essentially has financing nature, the cost of fixed assets is determined based on the present value of the purchase price. The difference between the actual payment and the present value of the purchase price, except for those that should be capitalized, is recognized in the current period's profit and loss during the credit period.

3 **Subsequent measurement and disposal of fixed assets**

(1) Depreciation of fixed assets

Depreciation of fixed assets is calculated based on their recorded value minus the estimated net residual value over their expected useful life. For fixed assets for which impairment provisions have been made, the depreciation amount shall be determined in future periods based on the book value after deducting the impairment provisions and the remaining useful life.

The fixed assets formed by the expenditure of special reserve shall be offset against the special reserve at the cost of forming the fixed assets, and the accumulated depreciation of the same amount shall be recognized. The fixed assets shall not be depreciated in future periods; Fixed assets that have been fully depreciated and continue to be used are not subject to depreciation.

The company determines the useful life and expected net residual value of fixed assets based on their nature and usage. At the end of the year, the useful life, estimated net residual value, and depreciation method of fixed assets shall be reviewed. If there are differences from the original estimates, corresponding adjustments shall be made.

The depreciation methods, depreciation periods, and annual depreciation rates for various types of fixed assets are as follows:

category	Depreciation method	Depreciation period (year)	Residual value rate (%)	Annual depreciation rate (%)
Electronic equipment	Straight-line method	3.00	-	33.33

(2) Subsequent expenses of fixed assets

Subsequent expenses related to fixed assets that meet the recognition criteria for fixed assets shall be included in the cost of fixed assets; If it does not meet the recognition criteria for fixed assets, it shall be included in the current period's profit and loss when it occurs.

(3) Disposal of fixed assets

When fixed assets are disposed of or expected to generate no economic benefits through use or disposal, the recognition of such fixed assets shall be terminated. The disposal income from the sale, transfer, scrapping or damage of fixed assets should be included in the current period's profit and loss after deducting their book value and related taxes.

4 Subsequent measurement and disposal of fixed assets leased through financing

When the fixed assets leased by the company meet one or more of the following criteria, they are recognized as financing leased fixed assets:

(1) At the expiration of the lease term, ownership of the leased asset is transferred to the company.

(2) The company has the option to purchase leased assets, and the purchase price agreed upon is expected to be significantly lower than the fair value of the leased assets at the time of exercising the option. Therefore, it can be reasonably determined on the lease commencement date that The company will exercise this option.

(3) Even if the ownership of the asset is not transferred, the lease term accounts for the majority of the useful life of the leased asset.

(4) The present value of the minimum lease payments made by the company on the lease commencement date is almost equivalent to the fair value of the leased asset on the lease commencement date.

(5) The nature of leased assets is special, and only the company can use them without major modifications.

The fixed assets leased under financial leasing shall be recorded at the lower of the fair value of the leased asset on the lease commencement date and the present value of the minimum lease payment. The minimum lease payment amount is recorded as the value of long-term payables, and the difference is recognized as unrecognized financing expenses. The initial direct expenses such as handling fees, lawyer fees, travel expenses, stamp duty, etc. that occur during the negotiation and signing of the lease agreement and are attributable to the leased project shall be included in the value of the leased asset. Unconfirmed financing costs will be amortized using the effective interest rate method during each period of the lease term.

The company adopts a depreciation policy consistent with its own fixed assets to provision for the depreciation of fixed assets leased under financing. If the ownership of the leased asset can be reasonably determined upon the expiration of the lease term, depreciation shall be accrued over the useful life of the leased asset. If it cannot be reasonably determined that ownership of the leased asset can be obtained at the end of the lease term, depreciation shall be accrued during the shorter of the lease term and the useful life of the leased asset.

(Ⅷ) Employee Compensation

Employee compensation refers to various forms of remuneration or compensation given by the company to employees for services provided or termination of labor relations. Employee compensation includes short-term pay, post employment benefits, termination benefits, and other long-term employee benefits.

1 Short-term benefits

Short term compensation refers to the employee compensation that the company needs to pay in full within twelve months after the end of the annual reporting period in which the employee provides relevant services, except for post employment benefits and termination benefits. During the accounting period when employees provide services, The company recognizes short-term compensation payable as a liability and includes it in the relevant asset costs and expenses based on the beneficiaries of the services provided by the employees.

2 Post-employment benefits

Post employment benefits refer to various forms of compensation and benefits provided by the company to employees after retirement or termination of employment with the company in order to obtain services provided by them, except for short-term compensation and termination benefits.

The company's post employment benefits plan is classified into defined contribution plan and defined benefit plan. The post employment welfare plan mainly includes participating in social basic pension insurance, unemployment insurance, etc. organized and implemented by labor and social security institutions in various regions; During the accounting period when employees provide services to the company, the payable amount calculated based on the established deposit plan will be recognized as a liability and included in the current period's profit or loss or related asset costs.

3 Dismissal benefits

Dismissal benefits refer to the compensation provided by the company to employees who terminate their employment relationship before the expiration of their labor contract, or to encourage them to voluntarily accept layoffs. When the company cannot unilaterally withdraw the plan to terminate the employment relationship or layoff proposal, or when the company recognizes the costs and expenses related to the restructuring involving the payment of dismissal benefits, whichever is earlier, the liability arising from the compensation for terminating the employment relationship with employees shall be recognized and included in the current period's profit and loss.

The company provides internal retirement benefits to employees who accept internal retirement arrangements. Internal retirement benefits refer to the wages and social insurance premiums paid to employees who have not reached the national retirement age and have voluntarily resigned from their positions with the approval of the company's management. The company shall pay internal retirement benefits to retired employees from the date of internal retirement arrangements until they reach the normal retirement age. For early retirement benefits, The company applies the same accounting treatment as termination benefits. When the relevant recognition conditions for termination benefits are met, the wages and social insurance premiums to be paid to early retirement employees from the date of cessation of service to the normal retirement date will be recognized as liabilities and recorded in the current period's profit and loss in a lump sum. The differences caused by changes in actuarial assumptions and adjustments to welfare standards for early retirement benefits are recognized in the current period's profit and loss when they occur.

4 Other long-term employee benefits

Other long-term employee benefits refer to all employee benefits other than short-term compensation, post employment benefits, and termination benefits.

For other long-term employee benefits that meet the conditions of the designated deposit plan, the payable amount shall be recognized as a liability and included in the current period's profit or loss or related asset costs during the accounting period when the employee provides services to the company.

(IX) Revenue

Revenue is the total inflow of economic benefits generated in the daily activities of the company, which leads to an increase in shareholder equity and is unrelated to the capital invested by shareholders.

The company recognizes revenue when fulfilling its contractual obligations, namely when the customer obtains control of the relevant goods or services.

If a contract contains two or more performance obligations, the company shall, on the commencement date of the contract, allocate the transaction price to each individual performance obligation based on the relative proportion of the individual selling prices of the promised goods or services for each individual performance obligation, and measure the revenue based on the transaction price allocated to each individual performance obligation. The contract includes additional purchase options for customers (such as customer reward points), and The company evaluates whether this option provides customers with a significant right. If significant rights are provided, the company will treat them as a single performance obligation.

The transaction price is the expected amount of consideration that the company is entitled to receive for the transfer of goods or services to customers, excluding payments received on behalf of third parties. The transaction price confirmed by The company shall not exceed the amount that is highly unlikely to result in a significant reversal of the cumulative recognized revenue at the time of the elimination of relevant uncertainties. When the consideration entitled to be received is in non cash form, the Company determines the transaction price based on the fair value of the non cash consideration. If the fair value of non cash consideration cannot be reasonably estimated, the Company indirectly determines the transaction price by referring to the separate selling price of the goods or services promised to be transferred to customers. The expected refund to the customer will be treated as a return liability and not included in the transaction price. If there is a significant financing component in the contract, The company determines the transaction price based on the assumed payable amount paid in cash by the customer upon obtaining control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized using the effective interest method during the contract period. On the commencement date of the contract, if the company expects the customer to obtain control of the goods or services and the customer pays the price within one year, significant financing elements in the contract will not be considered.

When one of the following conditions is met, the company is considered to have fulfilled its performance obligations during a certain period of time; otherwise, it is considered to have fulfilled its performance obligations at a certain point in time:

*The customer obtains and consumes the economic benefits brought by the company's performance at the same time as fulfilling the contract with the company;

*Customers are able to control the goods under construction during the performance process of The company;

*The goods produced by The company during the performance process have irreplaceable uses, and The company has the right to collect payments for the completed performance portion throughout the entire contract period.

For performance obligations fulfilled during a certain period of time, The company recognizes revenue based on the progress of performance during that period. When the progress of performance cannot be reasonably determined, if the costs already incurred by The company are expected to be compensated, revenue shall be recognized based on the amount of costs already incurred until the progress of performance can be reasonably determined.

For performance obligations fulfilled at a certain point in time, the company recognizes revenue at the point when the customer obtains control of the relevant goods or services. When determining whether the customer has obtained control of the goods or services, the company will consider the following signs:

*The company has the right to receive payment for the goods or services at present;

*The company has transferred the physical item of the product to the customer;

*The company has transferred the legal ownership or significant risks and rewards of ownership of the product to the customer;

*The customer has accepted the product or service, etc.

The company has transferred goods or services to customers and has the right to receive consideration (which depends on factors other than the passage of time) as a contract asset, and the contract asset is recognized for impairment based on expected credit losses. The unconditional (subject only to the passage of time) right of The company to collect consideration from customers is listed as accounts receivable. The obligation of The company to transfer goods or services to customers for consideration received or receivable from customers is listed as a contractual liability. The accounting policies related to the main activities that generate revenue for The company are described as follows:

1 Revenue from sales of goods

The company recognizes revenue when customers acquire control of the relevant goods. Acquiring control over the relevant product refers to the ability of the customer to take control of the use of the product and obtain almost all economic benefits from it.

2 Rendering of services

The company provides labor services to external parties, and customers obtain and consume the economic benefits brought by The company's performance at the same time. This is a performance obligation fulfilled during a certain period of time, and revenue is recognized according to the progress of performance. Otherwise, if the performance obligation is fulfilled at a certain point in time, the company will recognize revenue when the customer obtains control of the relevant services.

3 Revenue from construction contracts

When the outcome of the construction contract can be reliably estimated, contract revenue and contract expenses shall be recognized on the balance sheet date based on the completion progress of the contract. The completion progress of the contract is determined based on the proportion of the accumulated actual contract costs to the estimated total contract costs.

The reliable estimation of the results of a construction contract refers to the simultaneous satisfaction of: ① the total contract revenue can be reliably measured; ② The economic benefits related to the contract are likely to flow into the enterprise; ③ The actual contract costs incurred can be clearly distinguished and reliably measured; ④ The completion progress of the contract and the costs that still need to be incurred to complete the contract can be reliably determined.

If the outcome of a construction contract cannot be reliably estimated, but the contract cost can be recovered, the contract revenue is recognized based on the actual contract cost that can be recovered, and the contract cost is recognized as a contract expense in the current period in which it is incurred; If the contract cost cannot be recovered, it shall be recognized as a contract expense immediately upon occurrence and no contract revenue shall be recognized. If the uncertain factors that make it impossible to reliably estimate the results of the construction contract no longer exist, the revenue and expenses related to the construction contract shall be determined using the percentage of completion method.

If the estimated total cost of the contract exceeds the total revenue of the contract, the estimated loss shall be recognized as current expenses.

4 Revenue from transferring the right to use assets

When the economic benefits related to the transaction are likely to flow into the enterprise and the amount of revenue can be reliably measured, revenue is recognized. Determine the amount of revenue from the transfer of asset use rights in the following situations:

① The amount of interest income is calculated and determined based on the time and actual interest rate of others using the company's monetary funds.

② The amount of usage fee income shall be calculated and determined according to the charging time and method stipulated in the relevant contract or agreement.

(X) Income tax expenses

Income tax expenses include current income tax and deferred income tax.

Except for current income tax and deferred income tax related to transactions and events recognized as other comprehensive income or directly recognized in owner's equity, and deferred income tax adjusted for goodwill arising from business combinations, all other current income tax and deferred income tax expenses or gains are recognized in current profit or loss.

1 Current income tax

On the balance sheet date, the current income tax liabilities (or assets) formed in the current and previous periods shall be measured at the expected amount of income tax payable (or refunded) calculated in accordance with tax laws. The taxable income based on which the current income tax expense is calculated is calculated by adjusting the pre tax accounting profit according to relevant tax laws and regulations.

2 Deferred income tax

The difference between the book value of certain assets and liabilities and their tax base, as well as temporary differences arising from the difference between the book value of items that are not recognized as assets and liabilities but whose tax base can be determined according to tax laws, shall be recognized as deferred income tax assets and deferred income tax liabilities using the balance sheet liability method.

Temporary taxable differences related to the initial recognition of goodwill and assets or liabilities arising from transactions that are neither business combinations nor affect accounting profits and taxable income (or deductible losses) shall not be recognized as deferred income tax liabilities. In addition, for taxable temporary differences related to investments in subsidiaries, associates, and joint ventures, if the Company is able to control the timing of the reversal of the temporary differences and the temporary differences are unlikely to reverse in the foreseeable future, the relevant deferred income tax liabilities will not be recognized. Except for the aforementioned exceptions, the Company recognizes deferred income tax liabilities arising from all other taxable temporary differences.

Deferred tax assets related to deductible temporary differences arising from transactions that are neither business combinations nor affect accounting profits and taxable income (or deductible losses) shall not be recognized. In addition, for deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, if the temporary differences are not likely to be reversed in the foreseeable future, or if it is not likely to obtain taxable income to offset the deductible temporary differences in the future, the relevant deferred income tax assets will not be recognized. Except for the above exceptions, the Company recognizes deferred tax assets arising from other deductible temporary differences to the extent that it is likely to obtain taxable income to offset the deductible temporary differences.

For deductible losses and tax deductions that can be carried forward to future years, corresponding deferred income tax assets shall be recognized up to the future taxable income that is likely to be obtained to offset the deductible losses and tax deductions.On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rate during the expected period of recovery of related assets or settlement of related liabilities in accordance with tax laws.

On the balance sheet date, the carrying amount of deferred tax assets shall be reviewed. If it is likely that sufficient taxable income will not be obtained in the future to offset the benefits of deferred tax assets, the carrying amount of deferred tax assets shall be reduced. When it is likely to obtain sufficient taxable income, the reduced amount shall be reversed.

3 Offset of income tax

When the company has the legal right to settle on a net basis and intends to settle on a net basis or acquire assets and settle liabilities simultaneously, the current income tax assets and current income tax liabilities of the company are reported at the net amount after offsetting.

When the company has the legal right to settle current income tax assets and current income tax liabilities on a net basis, and the deferred income tax assets and deferred income tax liabilities are related to income tax levied by the same tax collection and management department on the same taxpayer or on different taxpayers, but in the future, during each period of significant reversal of deferred income tax assets and liabilities, the taxpayers involved intend to settle current income tax assets and liabilities on a net basis or simultaneously acquire assets and settle liabilities, the deferred income tax assets and deferred income tax liabilities of the company are reported as the net amount after offsetting.

V Explanation of Changes in Accounting Policies and Accounting Estimates

1 Changes in accounting policies

None.

2 Accounting estimate changes

None.

VI Tax (fee) items

1 Main tax types and tax rates

Categories of taxes	Tax rate/levy rate	Tax base and method
Value added tax	6%/13%	Output tax is calculated at 13% on sales income and 6% on service income for general taxpayers, and the balance after deduction of input tax is calculated.
Urban maintenance and construction tax	7.00%	Calculated and paid at 7% of the actual turnover tax paid.
Education surcharges	3.00%	Calculated and paid at 3% of the actual turnover tax paid.
Local education surcharge	2.00%	Calculated and paid at 2% of the actual turnover tax paid.
Corporate income tax	25.00%	Calculated and paid at 25% of the taxable income.

2 Tax incentives and approvals

None.

(The following are the notes to the main items in the financial statements)

VII Notes to Major Items in Financial Statements

Unless otherwise specified, the Opening refer to March 31, 2026, the Closing refer to March 31, 2025, Current period refer to April 1, 2024 to March 31, 2025, Previous period refer to April 1, 2025 to March 31, 2026.

1. Monetary funds

Items	Closing balance	Opening balance
Cash on hand	-	-
Bank deposit	476,139.60	262,240.63
Other monetary funds	-	-
Total	**476,139.60**	**262,240.63**

2. Accounts receivable

(1) Accounts receivable are classified by aging as follows:

Account Age	Closing balance	Opening balance
Within 1 year	1,556,596.58	1,493,436.78
Less: bad debt provision for accounts receivable	-	-
Total	**1,556,596.58**	**1,493,436.78**

(2) Large balances of accounts receivable are as follows:

Debtor's name	Book balance	Bad debt reserves	Book value
UNITEK ITALIA SRL			-

3. Prepayments

(1) Prepayments are classified by aging as follows:

Account Age	Closing balance	Opening balance
Within 1 year	20,100.00	-
Total	**20,100.00**	-

(2) Large balances of prepayments are as follows:

Debtor's name	Closing balance
Shenzhen Changhong Technology Co., Ltd	20,100.00

4. Other receivables

Other receivables are listed as follows:

Items	Closing balance	Opening balance
Dividend receivable		
Interest receivable		
Other receivables	54,873.00	23,628.00

(1) Other receivables are classified by aging as follows:

Account Age	Closing balance	Opening balance
Within 1 year	54,873.00	-
Less: Bad debt provision for other receivables		-
Total	**54,873.00**	**23,628.00**

(2) Large balances of other receivables are as follows:

Debtor's name	Book balance	Bad debt reserves	Book value
Shenzhen Changhong Technology Co., Ltd	40,200.00		40,200.00
Sichuan Changhong Property Service Co., Ltd. Shenzhen Branch	14,673.00		14,673.00

5. **Fixed assets**

Items	Opening balance	Increased amount	Decreased amount	Closing balance
1. Original value of fixed assets				
Electronic equipment	33,399.86	28,500.00		61,899.86
Total	**33,399.86**	**28,500.00**	-	**61,899.86**
2. Accumulated depreciation				
Electronic equipment	33,399.86	-		33,399.86
Total	**33,399.86**	-	-	**33,399.86**
3.No significant impairment signs were found for fixed assets at the end of the period, therefore no impairment provision was made.				
4. Book value				
Electronic equipment	-			28,500.00
Total	-			**28,500.00**

6. **Accounts payable**

(1) Accounts payable are classified by nature as follows:

Items	Closing balance	Opening balance
Unpaid service fee	36,600.00	19,300.00
Total	**36,600.00**	**19,300.00**

(2) There are no accounts payable with an aging of over 1 year at the end of the period.

7. **Payroll payable**

Items	Opening balance	Increase amount	Decrease amount	Closing balance
Salary, bonuses, allowances, and subsidies	87,216.17	1,580,919.98	1,420,036.28	248,099.87
Total	**87,216.17**	**1,580,919.98**	**1,420,036.28**	**248,099.87**

8. **Tax payable**

Items	Opening balance	Payable in this period	Payed in this period	Closing balance
Value added tax	7,037.11	155,066.56	136,580.45	25,523.22
Urban maintenance and construction tax	284.53	5,466.52	4,780.28	970.77
Education surcharges	121.95	2,342.78	2,048.68	416.05
Local education surcharge	81.30	1,561.85	1,365.78	277.37
Corporate income tax	20,027.26	7,934.61	25,301.02	2,660.85
Individual income tax	292.09	28,001.66	19,082.06	9,211.69
Stamp duty		878.23	878.23	-
Total	**27,844.24**	**201,252.21**	**190,036.50**	**39,059.95**

9. Other payables

Other payables are listed as follows:

Items	Closing balance	Opening balance
Dividends Payable		
Interest payable		
Other payables	45,392.85	6,393.41
Total	**45,392.85**	**6,393.41**

(1) Other payables are classified by nature as follows:

Nature of Payment	Closing balance	Opening balance
Deposit and security deposit		
Related party transactions		
Unit loans		
Other transactions	45,392.85	6,393.41
Total	**45,392.85**	**6,393.41**

(2) At the end of the period, there were no other payabless with an aging of over 1 year

10. Paid in capital (or share capital)

Investor Name	Closing balance		Opening balance	
	Amount	Percent (%)	Amount	Percent (%)
ADITYA INFOTECH LIMITED	1,174,782.52	100.00	1,174,782.52	100.00
Total	**1,174,782.52**	**100.00**	**1,174,782.52**	**100.00**

11. Capital reserve

Items	Opening balance	Increase amount	Decrease amount	Closing balance
Capital premium (equity premium)	5,941.91			5,941.91
Total	**5,941.91**	-	-	**5,941.91**

12. Surplus reserve

Items	Opening balance	Increase amount	Decrease amount	Closing balance
Statutory surplus reserve	-	53,577.61		53,577.61
Total	-	**53,577.61**	-	**53,577.61**

13. Undistributed profits

Items	Current period amount	Previous period amount
Undistributed profit at the end of the previous period before adjustment	457,827.16	390,098.70
Adjust the total amount of undistributed profits at the beginning of the period	-	-
Adjusted undistributed profit at the beginning of the period	457,827.16	390,098.70
Add: Net profit for this period	128,504.92	67,728.46
Less: Withdrawal of statutory surplus reserve	53,577.61	-
Withdrawal of discretionary surplus reserve		
Extract general risk reserves		
Dividends payable	-	-

Common stock dividends converted into share capital		
Other		
Closing balance of undistributed profits	**532,754.47**	**457,827.16**

14. Operating income/Operating costs

Operating income :

Items	Current period amount	Previous period amount
Service revenue	2,865,337.18	1,842,821.72
Total	**2,865,337.18**	**1,842,821.72**

15. Taxes and surcharges

Items	Current period amount	Previous period amount
Urban maintenance and construction tax	5,466.52	3,499.59
Education surcharges	2,342.78	1,499.83
Local education surcharge	1,561.85	999.88
Stamp duty	878.23	-
Total	**10,249.38**	**5,999.30**

16. Financial expenses

Items	Current period amount	Previous period amount
Interest expenses	-	-
Interest income	-279.89	-172.23
Exchange loss	65,456.57	13,337.92
Exchange gains	-11,129.04	-58,185.63
Bank charges	3,209.86	4,672.11
Total	**57,257.50**	**-40,347.83**

17. Supplementary Information to Cash Flow Statement

Items	Current period amount	Previous period amount
1. Adjusting net profit to cash flows from operating activities:		
Net profit	128,504.92	67,728.46
Add: Asset impairment provision	-	-
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	-	-
Amortization of intangible assets	-	-
Amortization of Long-term deferred expensess	-	-
Loss on disposal of fixed assets, intangible assets, and other long-term assets (income indicated by "-")	-	-
Fixed asset scrapping loss (income indicated by "-")	-	-
Fair value change loss (income indicated by "-")	-	-
Financial expenses (income indicated by "-")	7,919.03	-376.04
Investment loss (income indicated by "-")	-	-

Decrease in deferred tax assets (increase indicated by "-")	-	-
Increase in deferred income tax liabilities (decrease indicated by "-")	-	-
Decrease in Inventories (increase indicated by "-")	-	-
Decrease in operating receivables (increase indicated by "-")	-114,504.80	113,096.11
Increase in operating payables (decrease indicated by "-")	228,398.85	-52,930.52
Other	-	-
Net cash flows from operating activities	250,318.00	127,518.01
2. Investment and financing activities not involving cash receipts and payments		
Conversion of debt into capital	-	-
Convertible corporate bonds due within one year	-	-
Fixed assets under financing lease	-	-
3. Net increase in cash and cash equivalents		
Closing balance of cash	476,139.60	262,240.63
Less: Opening balance of cash	262,240.63	134,346.58
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	213,898.97	127,894.05

18. Cash and cash equivalents

Items	Current period amount	Previous period amount
1. Cash	476,139.60	262,240.63
Including: cash on hand	-	-
Bank deposits that can be used for payment at any time	476,139.60	262,240.63
Other monetary funds available for payment at any time	-	-
2. Cash equivalents		
Including: Bond investments due within three months		
3. Closing balance of cash and cash equivalents	**476,139.60**	**262,240.63**

VIII. Related parties and related party transactions

(I) The controlling shareholder of the company

Name of controlling shareholder	Shareholding ratio%	Voting rights percentage
ADITYA INFOTECH LIMITED	100.00	100.00

(II) Other related parties of the company

Related party name	Relationship between related parties and our company
SHARMA MONIKA	Legal representative and general manager of the Company

(III) Related party transactions

The amount of unsettled Itemss of related parties

Related party name	Closing balance		Opening balance	
	Book balance	Bad debt reserves	Book balance	Bad debt reserves
Accounts receivable				
ADITYA INFOTECH LIMITED	1,556,596.58	-	1,493,436.78	-

IX. Contingency

By the balance sheet date, the Company has no significant contingencies that should be disclosed.

X. Commitment matters

By the balance sheet date, the Company has no significant commitments that should be disclosed.

XI. Events after the balance sheet date

By the approval date of the financial report, the Company has no significant events after the balance sheet date that should be disclosed.

XII. Other important matters

By the balance sheet date, the company has no other important matters that should be disclosed.

Shenzhen CP Plus International Ltd

May 12th, 2026

CERTIFIED PUBLIC ACCOUNTANTS

PRACTISING LICENSE

NAME: Shenzhen Vision Alliance Certified Public Accountants

PRINCIPAL PARTNER: Hu Qiuqing

CHIEF ACCOUNTANT:

ADD: Room 2410, 2411, Block West, Qiushi Building,
No. 17 Zizhu Seventh Road, Zhulin Community,
Xiangmihu Street,Fu Tian District, Shenzhen

TYPE OF ORGANIZATION: General Partnership

PRACTISING CERTIFICATE NUMBER: 47470208

NUMBER OF APPROVAL: Shen CaiKuai NO.2008-10

DATE OF APPROVAL: January 30th 2008

NO.0021801

NOTE

1、The practicing license of CPA is issued to prove that the holder has been approved by Financial Sector. And it's permitted to execute related business.

2、New practicing license should be applied when any item of the practicing license changes.

3、It's not allowed to fake, change, lease and lend for the practicing license.

4、The practicing license must be returned to Financial Sector when the CPA end the business Or a practising permit to write-off.

ISSUED BY: Shenzhen Finance Bureau

May 8th 2024

Made by Ministry of Finance of the P.R.C.

Business License

Uniform social credit code

91440300671857953N

Name: Shenzhen Vision Alliance Certified Public Accountants (General Partnership)

Entity type: General Partnership

Person in charge: Hu Qiuqing

Date of establishment: February 4, 2008

Address: Room 2410, 2411, Block West, Qiushi Building, No.17 Zizhu Seventh Road, Zhulin Community, Xiangmihu Street,Fu Tian District, Shenzhen

Important notes	
	1. Business scope of the commercial entity is specified in the articles of association. The items within business scope that are subject to approval as per law and regulation shall not be carried out unless approval document is obtained. 2. As for the inquiry of business scope, licensing items and other relevant issues of the commercial entity as well as the annual report and supervision information, please log in the National Enterprise Credit Information Publicity System or through the two-dimensional code in the license. 3. The commercial entity shall submit the annual report of the last year in two months from the date of establishment, and the commercial entity shall publicize the commercial entity information to the society according to article 10 of *Provisional Regulations on Enterprise Information Publicity.*

Registration authority: Shenzhen Municipality Market Supervision Administration Bureau Futian Branch Bureau

April 29, 2024