

**American Journal Online (Beijing)
Information Consulting Co., Ltd.
Audit Report
SCPAR (2025) No.8864**

**Shanghai Certified Public Accountants (Special General Partnership)
Shanghai China**



上海会计师事务所(特殊普通合伙)

Shanghai Certified Public Accountants (Special General Partnership)

Independent Auditor's Report

SCPAR (2025) No.8864

Date: May. 9th, 2025

To the Board of Directors of American Journal Online (Beijing) Information Consulting Co., Ltd.:

I. Opinion

We have audited the financial statements of American Journal Online (Beijing) Information Consulting Co., Ltd. ("the Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025, and their financial performance and cash flows for the year ended on that date in accordance with International Financial Reporting Standards (IFRS).

II. Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in China, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary



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to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing The financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

IV. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of The financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of



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accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Shi Dongjun

Shanghai Certified Public Accountants (Special General Partnership)

Shanghai, China



Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2025

<u>Items</u>	NOTE	Year ended 31 March 2025 <hr/> CNY
Revenue from operations	4	73,576,767.82
Other income	5	74,824.27
Total income		73,651,592.09
Expenses		
Employee benefits expense	6	6,416,197.03
Finance costs	7	3,801.53
Depreciation and amortization expense	8	120,478.25
Other expenses	9	59,219,412.28
Total expenses		65,759,889.09
Profit before tax		7,891,703.00
Tax expense		
Current tax	10	1,999,261.00
Adjustment of tax relating to earlier years		
Deferred tax	10	-26,335.25
Total tax expenses		1,972,925.75
Profit for the year		5,918,777.25
Other comprehensive income, net of tax		
Net value gain on cash flow hedges		
Gains or losses arising on changes in fair value of other equity investments		
Total Comprehensive Income for the year ended 31 March 2025		5,918,777.25

Statement of Financial Position
As at 31 March 2025

<u>Items</u>	NOTE	As at 31 March 2025	
		2025.3.31 CNY	2024.3.31 CNY
Non-current assets			
Property, plant and equipment	11	61,089.09	62,886.32
Investment property			
Right of use assets	12	-	715,480.69
Goodwill			
Other intangible assets	13	68,019.27	101,637.51
Financial assets			
Non-current tax assets			
Deferred tax assets	14	97,779.57	71,444.32
Other non-current assets			
Total non-current assets		226,887.93	951,448.84
Current assets			
Financial assets			
Investments			
Trade receivables	15	294,415.93	386,845.89
Cash and cash equivalents	16	15,464,423.05	15,505,370.58
Loans			
Other financial assets	17	80,000.00	167,710.50
Current tax assets			
Other current assets	18	530,798.50	488,213.66
Total current assets		16,369,637.48	16,548,140.63
Total assets		16,596,525.41	17,499,589.47

**Statement of Financial Position
As at 31 March 2025-continued**

<u>Items</u>	NOTE	As at 31 March 2025	
		2025.3.31 CNY	2024.3.31 CNY
Equity			
Equity share capital	19	714,060.00	714,060.00
Other equity	20	4,246,599.92	6,452,596.68
Total equity		4,960,659.92	7,166,656.68
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	21(i)		-
Provisions			
Deferred tax liabilities	14		
Total non-current liabilities			
Current liabilities			
Financial liabilities			
Lease liabilities	21(ii)	-	755,331.35
Trade payables	22	759,631.81	2,705,444.54
-Total outstanding dues of micro enterprises and small enterprises			
-Total outstanding dues of creditors other than micro enterprises and small enterprises		759,631.81	2,705,444.54
Other financial liabilities	23	710,250.24	756,357.34
Other current liabilities	24		
Contract liabilities	24	9,439,876.54	5,724,944.60
Other current liability	24	216,607.54	77,088.23
Provisions	25	-	89,152.44
Current tax liabilities	26	509,499.36	224,614.29
Total current liabilities		11,635,865.49	10,332,932.79
Total equity and liabilities		16,596,525.41	17,499,589.47

**Statement of Changes in Equity
For the year ended 31 March 2025**

Items	Other Equity						Total
	Share capital	Reserve fund	Enterprise reserve fund	Cash flow hedging reserve	Market valuation of securities Reserve	Retained earnings	
Year ended March 31 2024	714,060.00		357,030.00			6,095,566.68	7,166,656.68
Add: Correction of prior period errors						-124,774.01	-124,774.01
Opening balance of the current year	714,060.00		357,030.00			5,970,792.67	7,041,882.67
Profit or loss for the year						5,918,777.25	5,918,777.25
Other comprehensive income for the year transfer to capital reserve fund						8,000,000.00	8,000,000.00
Dividends						3,889,569.92	4,960,659.92
Year ended March 31 2025	714,060.00		357,030.00			8,000,000.00	4,960,659.92

Cash Flow Statement
For the year ended 31 March 2025

<u>Items</u>	CNY
Operating activities	83,740,055.46
Cash receipts from customers	
Taxes refunded	
Cash receipts from other operating activities	619,102.46
Cash paid to supplies	60,291,605.36
Cash paid to, or on behalf of, employees	6,408,850.94
Income and other taxes paid	6,727,930.64
Expenditures on other operating activities	3,724,444.04
Net cash flows from operating activities	7,206,326.94
Investing activities	
Dividends received	
Interest received on consignment loans	
Proceeds on disposal of property, plant and equipment	
Cash receipts from other investing activities	
Investment in associates	
Purchases of property, plant and equipment	47,274.47
Cash paid to other investing activities	8,676.47
Net cash flows from investing activities	-47,274.47
Financing activities	
Discount of notes receivable	
Dividends paid	7,200,000.00
Cash paid to other financing activities	
Net cash flows from financing activities	-7,200,000.00
Effect of foreign exchange rate changes	
Net increase/decrease in cash and cash equivalent	-40,947.53
Cash and cash equivalents at the beginning of the year	15,505,370.58
Cash and cash equivalents at the end of the year	15,464,423.05

1. General

American Journal Online (Beijing) Information Consulting Co., Ltd. (the “Company”), a wholly foreign-owned enterprise was established in Beijing, People’s Republic of China (PRC) by American Journal Experts, LLC on 17th July 2019. The business licence (No. 91110108MA01LGAK31) was issued by Beijing Chaoyang District Market Supervision and Administration Bureau on 25th December 2024. The registered capital is USD 100,000. Legal representative: Prarthana Agarwal. The business address is Unit 304-06, 3rd Floor, Building B, No. 2A North Workers Stadium Road, Chaoyang District, Beijing.

The operating activities of the company include: Economic and trade consulting; Enterprise management consulting; Translation services; Technology development, technical service, technical consulting, technology transfer; Designing, producing, acting and publishing advertisements; Organizing cultural and artistic exchange activities (excluding commercial performances); Conference services. (Market entities independently choose business projects and carry out business activities according to law; projects subject to approval according to law shall carry out business activities according to the approved contents after being approved by relevant departments; They shall not engage in business activities of items prohibited and restricted by the national and municipal industrial policies.)

2. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). They have been prepared using the historical convention except that, as disclosed in the accounting policy below, certain items including derivatives are shown at fair value.

The Company maintains its accounting records and prepares its statutory financial statements in accordance with accounting standards and regulations of the People's Republic of China that are applicable to the Company.

The basis of accounting under IFRSs differs in certain respects from that used in the preparation of the Company’s statutory financial statements. In preparing these IFRS financial statements, appropriate adjustments, which are not taken up in the accounting records of the Company, have been made to the Company’s statutory financial statements.

These financial statements are presented in Renminbi (“CNY”) since CNY is the functional currency of the Company.

Revenue recognition

Sales of goods are recognized when goods are delivered and title has been passed.

Service incomes are recognized when services are provided.

Interest incomes are accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Foreign currencies

Transactions in currencies other than CNY are initially recorded at the rates of exchange stipulated by the People’s Bank of China on the first day of that month. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange stipulated by the People’s Bank of China on the balance sheet date. Exchange differences are recognized in profit or loss.

Retirement benefit costs

The Chinese employees of the Company are members of State-managed retirement benefit schemes, the Company’s obligations under which are equivalent to those arising in a defined contribution retirement benefit plan. Payments made to State-managed retirement benefit schemes are charged as expenses as they fall due.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is

probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Properties in the course of construction for production, rental or administrative purposes or for purposes not yet determined are carried at cost, less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying value. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Other items of property, plant and equipment are stated at cost less accumulated depreciation and any recognized impairment loss.

Depreciation is charged so as to write off the cost of assets, other than properties under construction, over their estimated useful lives, using the straight-line method, on the following rates per annum:

<u>Items</u>	<u>Useful Life</u>	<u>Depreciation rate</u>
Office equipment	3 years	33.33%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

Internally generated intangible assets - research and development expenditure

Expenditure on research activities is classified as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Company's developments is recognized only if all of the following conditions are met:

an asset is created that can be identified (such as software and new processes);
it is probable that the asset created will generate future economic benefits; and
the development cost of the asset can be measured reliably.

Where no internally generated intangible asset can be recognized, development expenditure is recognized as an expense in the period in which it is incurred. Internally generated intangible assets will begin to amortize until business production starts on a straight-line basis over their useful lives, which is usually no more than 5 years.

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the impairment loss is treated as a revaluation decrease under that Standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior

years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other Standard.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labors costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the standard cost method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Accounts receivables

Accounts receivables are carried at original invoice amount less allowance made for doubtful accounts. An allowance is recorded for the difference between the carrying amount and the recoverable amount where there is objective that the Company will not be able to collect all amounts due.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and time, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have a maturity of three months or less from the date of acquisition. This definition is also used for the cash flow statement.

Provisions

Provisions are recognized where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise. Contingent assets are not recognized, but are disclosed where a flow of economic benefits is probable.

Fair values

Fair value is the amount for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices or by the use of established estimation techniques such as option pricing models and estimated discounted cash flows. The fair values at the balance sheet date are approximately in line with their reported carrying values unless specified mentioned in

the Notes to financial statements.

Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated.

All

other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– – it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– – it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVTPL, and within this category as:
 - held for trading;
 - derivative hedging instruments; or
 - designated as at FVTPL.

Subsequent measurement and gains and losses

Financial assets at FVTPL: Measured at fair value and changes therein, including any interest or dividend income were recognized in profit or loss.

Held-to-maturity financial assets: Measured at amortized cost using the effective interest method.

Loans and receivables: Measured at amortized cost using the effective interest method.

Available-for-sale financial assets: Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognized in OCI and accumulated in the fair value reserve. When these assets were derecognized, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Leasing

as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore underlying asset or the site on which it is located, less any lease

incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. Financial risk management

The Company is exposed to various financial risks arising from the Company's underlying operations and corporate finance activities. The financial risks the Company is exposed to are predominantly related to changes in foreign exchange rates as well as the creditworthiness and the solvency of the Company's counter-parties.

Financial risk management within the Company is governed by policies and guidelines approved by senior management. These policies are guidelines cover foreign exchange risk, interest rate risk, market risk, credit risk and liquidity risk. Company policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short- and long-term debt. The compliance with the policies and guidelines is overseen by segregated functions within the Company.

The objective of financial risk management is to contain, where deemed appropriate, exposures in the various type of financial risks mentioned above in order to limit negative impact on the Company's financial income and balance sheet.

The Company actively measures, monitors and manages its financial risk exposures by various functions pursuant to segregation of duties principles.

In accordance with the financial risk policies the Company manages its exchange risk exposures, when deemed appropriate, through the use of financial instruments such as derivatives. It is the Company's policy and practice not to enter into derivatives transactions for trading or speculative purposes nor purposes unrelated to the underlying business.

Foreign exchange risk

The Company is exposed to movements in foreign currencies affecting its net income and financial position, as expressed in CNY. The Company actively monitors its currency exposures, and when appropriate, enters into transactions with the aim of preserving the value of assets, commitments and anticipated transactions. The Company uses forward contracts to hedge certain committed and anticipated foreign exchange flows.

Transaction exposure

Transaction exposure arises because the amount of local currency paid or received for transactions denominated in foreign currencies may vary due to changes in exchange rates. Income will be primarily in the local currency. A significant amount of expenditure, especially for purchase of goods will be in foreign currencies. Similarly, transaction exposure arises on net balances of monetary assets held in foreign currencies. The company manages this exposure, if necessary, by means of financial instruments such as options and forward contracts.

Interest rate risk

Interest rate risk arises from movement in interest rate which would have effect on the net income or financial position. The changes in interest rates cause variations in interest income. In addition, they can affect the market value of certain financial assets, liabilities and instruments as described in the section of market risk. The company is not significantly exposed to interest rate risk.

Market risk

Changes in the market value of certain financial assets and derivative instruments can affect the net income or financial position of the Company. The risk of loss in value is managed by reviews prior to investing and continues monitoring of the performance of investments and changes in their risk profile.

Credit risk

Credit risk arises from the possibility that the counter-party to a transaction may be unable or unwilling to meet their obligations causing a financial loss to the Company. Trade receivables are subject to a policy of active risk management focusing on the assessment of credit availability, ongoing credit evaluation and account monitoring procedures. There are no significant concentrations within trade receivables of counter-party credit risk. The exposure of other financial assets to credit risk is controlled by setting a policy for limiting credit exposure to high-quality counter-parties, regular reviews of credit ratings, and setting defined limits for each individual counter-parties. The maximum exposure to credit risk resulting from financial activities is equal to the carrying amount of financial assets. The credit exposure is diversified amongst different counter-parties.

Liquidity risk

The Company need have sufficient availability of cash to meet their obligations. The Company maintains sufficient reserves of cash and readily realizable marketable securities to meet its liquidity requirements at all times.

4. Revenue from operations

<u>Item</u>	<u>Year ended 31 March 2025</u>
	<u>CNY</u>
Service Revenue	73,576,767.82
Total	<u>73,576,767.82</u>

5. Other income

<u>Item</u>	<u>Year ended 31 March 2025</u>
	<u>CNY</u>
Income from previous business years	-
Other taxes	-
Interest income	20,085.88
Other Non-operation Income	54,738.39
Total	<u>74,824.27</u>

6. Employee benefits expense

<u>Item</u>	<u>Year ended 31 March 2025</u>
	<u>CNY</u>
Salaries and wages	5,070,368.28
Contribution to provident and other funds	1,326,178.40
Other personnel expenses	19,650.35
Total	<u>6,416,197.03</u>

7. Finance costs

<u>Item</u>	<u>Year ended 31 March 2025</u>
	<u>CNY</u>
Interest cost for lease	<u>3,801.53</u>
Total	<u>3,801.53</u>

8. Depreciation and amortization expense

<u>Item</u>	<u>Year ended 31 March 2025</u>
	<u>CNY</u>
Depreciation on property, plant and equipment	43,633.05
Depreciation on right-of-use assets	43,226.96
Amortization on intangible assets	33,618.24
Other software annual fee	=
Total	<u>120,478.25</u>

9. Other expenses

<u>Item</u>	<u>Year ended 31 March 2025</u>
	<u>CNY</u>
Cost of Sales	55,689,396.09
-Revenue Transfer	58,890,047.63
-Withholding Input VAT	-3,450,308.13
-Others	249,656.59
Sales tax and local levy tax	84,221.96
Selling and distribution expenses	1,392,381.42
- Online Promotion	<u>1,392,381.42</u>
Administrative expenses	1,706,380.09
-Other operational expenses	501,935.93
-Travel Expense	135,418.82
-Communication costs	14,916.41
-Legal & Professional Fees	814,992.40
-IT Services	239,116.53

<u>Item</u>	<u>Year ended 31 March 2025</u>
	<u>CNY</u>
Bank charges	241,691.74
Foreign exchange gains or losses	-0.02
Movement in bad debt provision	105,341.00
Total	<u>59,219,412.28</u>

10. Income taxes

<u>Item</u>	<u>Year ended 31 March 2025</u>
	<u>CNY</u>
Current tax	1,999,261.00
Deferred tax (note [14])	-26,335.25
Total	<u>1,972,925.75</u>

11. Property, Plant and Equipment

<u>Items</u>	<u>Office equipment</u>	<u>Total</u>
	CNY	CNY
Cost		
At 31 March 2024	139,292.02	139,292.02
Addition	41,835.82	41,835.82
Disposal	12,070.46	12,070.46
Reclassification		
Transfer		
At 31 March 2025	<u>169,057.38</u>	<u>169,057.38</u>
At 31 March 2024	76,405.70	76,405.70
Charge	43,633.05	43,633.05
Impairment		
Disposal	12,070.46	12,070.46
Reclassification		
At 31 March 2025	<u>107,968.29</u>	<u>107,968.29</u>
Carrying amount		
At 31 March 2024	62,886.32	62,886.32
At 31 March 2025	61,089.09	61,089.09

12. Right of use assets

<u>Items</u>	<u>Buildings</u>	<u>Total</u>
	CNY	CNY
Cost		
At 31 March 2024	1,609,831.58	1,609,831.58
Addition		

American Journal Online (Beijing) Information Consulting Co., Ltd.
Notes to the Financial Statements for the year ended 31 March 2025
Unless otherwise specified, the monetary unit is RMB yuan

<u>Items</u>	<u>Buildings</u>	<u>Total</u>
Disposal	1,609,831.58	1,609,831.58
Reclassification		
Transfer		
At 31 March 2025	-	-
Depreciation and impairment		
At 31 March 2024	894,350.89	894,350.89
Charge	43,226.96	43,226.96
Impairment	-	-
Disposal	937,577.85	937,577.85
Reclassification		
At 31 March 2025	-	-
Carrying amount		
At 31 March 2024	715,480.69	715,480.69
At 31 March 2025	-	-

13. Other intangible assets

<u>Items</u>	<u>Software</u>	<u>Total</u>
	CNY	CNY
Cost		
At 31 March 2024	168,091.50	168,091.50
Additions		
At 31 March 2025	<u>168,091.50</u>	<u>168,091.50</u>
Amortization& Impairment		
At 31 March 2024	66,453.99	66,453.99
Charge for the year	33,618.24	33,618.24
Impairment		
At 31 March 2025	<u>100,072.23</u>	<u>100,072.23</u>
Carrying amount		
At 31 March 2024	101,637.51	101,637.51
At 31 March 2025	68,019.27	68,019.27

14. Deferred taxes

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
Deferred tax assets	97,779.57	71,444.32
Deferred tax liabilities	=	=
Net	<u>97,779.57</u>	<u>71,444.32</u>

The deferred income tax assets and liabilities and the deferred income tax charges (credits) are attributable to following items:

Deferred income tax: movement in recognized net assets (liabilities)

<u>Items</u>	<u>Non-current</u>	<u>Accrual</u>	<u>Warranty</u>	<u>Others</u>	<u>Total</u>
	<u>Assets</u>	<u>CNY</u>	<u>CNY</u>	<u>CNY</u>	<u>CNY</u>
		<u>CNY</u>			
Net deferred tax asset at 31 March 2024				71,444.32	71,444.32
Charged to income statement				26,335.25	26,335.25
Credited to equity					
Net deferred tax asset at 31 March 2025				<u>97,779.57</u>	<u>97,779.57</u>

15. Trade receivables

<u>Item</u>	<u>31 March 2024</u>	<u>31 March 2024</u>
	<u>CNY</u>	<u>CNY</u>
Trade accounts receivables	685,534.20	672,623.16
Other receivables		
Less: Provision for bad debts	<u>391,118.27</u>	<u>285,777.27</u>
Total accounts receivables	<u>294,415.93</u>	<u>386,845.89</u>
Attributable to		
Due from shareholders	-	-
Due from associates	-	-
Due from related parties	-	-

Trade receivable ageing for the year ended 31 March 2025

Items	Outstanding for following periods from due date of payment			
	Not Due	90-180 days	>180 days	Total
Undisputed Trade receivable	185,102.22	99,500.15	400,931.83	685,534.20
Less: Provision for bad debts		31,537.75	359,580.52	391,118.27
Total	185,102.22	67,962.40	41,351.31	294,415.93

Trade receivable ageing for the year ended 31 March 2024

Items	Outstanding for following periods from due date of payment			
	Not Due	90-180 days	>180 days	Total
Undisputed Trade receivable	86,248.06	311,865.53	274,509.57	672,623.16
Less: Provision for bad debts		11,333.31	274,443.96	285,777.27
Total	86,248.06	300,532.22	65.61	386,845.89

16. Cash and cash equivalents

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
Balances with banks	15,464,423.05	15,505,370.58
Cash on hand	=	=
Total	<u>15,464,423.05</u>	<u>15,505,370.58</u>

17. Other financial assets

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
Security deposits	80,000.00	167,710.50
Total	<u>80,000.00</u>	<u>167,710.50</u>

18. Other current assets

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
Balances with Government Authorities	14,613.24	235,552.16
Advances to suppliers	516,185.26	252,661.50
Total	<u>530,798.50</u>	<u>488,213.66</u>

19. Equity share capital

<u>Item</u>	<u>31 March 2025</u>		<u>31 March 2024</u>	
	CNY	%	CNY	%
Registered and paid-in capital:				
American Journal Experts, LLC	714,060.00	100.00%	714,060.00	100.00%
Total	<u>714,060.00</u>	<u>100.00%</u>	<u>714,060.00</u>	<u>100.00%</u>

20. Other equity

Pursuant to relevant laws and regulations in the PRC, the Company is required to make appropriation from profit after taxation as reported in the PRC statutory financial statements to reserve fund and enterprise expansion fund at rates determined by the Board of Directors.

The reserve fund may be used to make up losses incurred and, with approval from relevant government authority, to increase capital for expansion of production. The enterprise expansion fund, subject to approval by relevant government authority, may also be used to increase capital.

Pursuant to relevant laws and regulations in the PRC, the Company is required to transfer some parts of its profit after taxation as reported in the PRC statutory financial statements to the

reserve fund until the balance reaches 50% of the registered capital of the Company. This reserve can be used to make up losses incurred or to increase capital.

The amount available for the purpose of profit distribution to investors is the amount reported in the PRC statutory financial statements.

The staff and workers' bonus and welfare fund shall be used to pay bonuses of an extraordinary nature (such as special contribution award, annual award, etc.) to staff or workers and to finance general welfare facilities for staff and workers. To comply with IFRS, the amount that was paid and will be paid as incentive bonuses and other benefits to employees has been charged to profit before taxation in the profit and loss account.

21. Lease liabilities

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
(i) Non current		
Lease liabilities	-	-
(ii) Current		
Lease liabilities	-	755,331.35
Total	=	<u>755,331.35</u>

(iii) Reconciliation of liabilities from financing activities

<u>Item</u>	<u>March 2025</u>
	CNY
Opening	755,331.35
Addition during the year	-
Interest on lease liabilities	3,801.53
Repayment of lease liabilities	759,132.88
Closing	-

22. Trade payables

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	759,631.81	2,705,444.54
Total	<u>759,631.81</u>	<u>2,705,444.54</u>

Trade payables ageing for the year ended 31 March 2025

Items	Outstanding for following periods from due date of payment		
	<1 year	>1 year	Total
Account payables to related parties			
Other trade payables	389,173.18	370,458.63	759,631.81
Total	389,173.18	370,458.63	759,631.81

Trade payables ageing for the year ended 31 March 2024

Items	Outstanding for following periods from due date of payment		
	<1 year	>1 year	Total
Account payables to related parties			
Other trade payables	2,524,758.40	180,686.14	2,705,444.54
Total	2,524,758.40	180,686.14	2,705,444.54

23. Other financial liabilities

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
Employee Payables	710,250.24	756,357.34
Total	<u>710,250.24</u>	<u>756,357.34</u>

24. Other current liabilities

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
Contract liabilities	9,439,876.54	5,724,944.60
Other current liability	<u>216,607.54</u>	<u>77,088.23</u>
Total	<u>9,656,484.08</u>	<u>5,802,032.83</u>

25. Provisions

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
Provision for Compensated Absences	-	89,152.44
Total	=	<u>89,152.44</u>

26. Current tax liabilities

<u>Item</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
	CNY	CNY
Cooperate income tax	509,499.36	224,614.29
Total	<u>509,499.36</u>	<u>224,614.29</u>

27. Non-cash transactions

There is no non-cash transaction incurred in this financial year.

28. Contingent liabilities

There is no contingent liability arise in this financial year.

29. Employee benefits

The Chinese employees of the Company are members of a state-managed retirement benefit scheme operated by the local government. The Company is required to contribute a specified percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the retirement benefit scheme is to make the specified contributions.

Short-term employee benefits: All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. measured on an undiscounted basis and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

30. Related party transactions

(a) Related parties with control ability.

<u>Name</u>	<u>Relationship with the Company</u>
American Journal Experts, LLC	Parent company

(b) During the year, the Company entered into the following transactions with related parties.

<u>Item</u>	<u>Sales of service</u>	<u>Purchase of service</u>
	<u>Year ended 31 March 2025</u>	<u>Year ended 31 March 2025</u>
	CNY	CNY
American Journal Experts, LLC	-	58,890,047.63

Sales of goods to related parties were made at the Company's usual list prices. Purchases were made at market price. The negative figures mean the Company receiving services from related parties.

(c) At the balance sheet date, the following balances with the related parties:

<u>Item</u>	Dividend receivable From related parties		Trade receivable From related parties	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	CNY	CNY	CNY	CNY
American Journal Experts, LLC	-	-	-	-

<u>Item</u>	Other receivable From related parties		Advances To related parties	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	CNY	CNY	CNY	CNY
American Journal Experts, LLC	-	-	-	-

<u>Item</u>	Dividend payables To related parties		Trade payables To related parties	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	CNY	CNY	CNY	CNY
American Journal Experts, LLC	-	-	-	2,065,395.99

<u>Item</u>	Other Payables to related parties		Advances From related parties	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	CNY	CNY	CNY	CNY
American Journal Experts, LLC	-	-	-	-

The amounts due from related parties, which are included in trade and other receivables, are interest free, unsecured and repayable on demand.

The amounts due to related parties, which are included in trade and other payables, are interest free, unsecured and repayable on demand.

31. Reclassification of comparative figures

Certain comparative figures have been reclassified to conform to the current year presentation.