UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 18-K

☐ APPLY PURSUANT TO RULE 12g3-2(b) THE EXEMPTION FROM SECTION 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

or

☒ PROMPTLY REPORT PURSUANT TO SECTION 13 OR SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2021

Commission File Number: 333-239000

KUN PENG INTERNATIONAL LTD.

(Exact name of registrant as specified in its charter)

Cayman Islands	2390	(I.R.S.IRS)
(Jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(Employer Identification Number)

Room 2608, Office Tower, Grand Gateway, No. 1 Hongqiao Road, Xuhui District, Shanghai, China
Telephone: 86-21-61018888
(Address and telephone number of Registrant's principal executive offices)

Cogency Global Inc.
122 East 42nd Street, 18th Floor, New York, NY 10168
(Name, address and telephone number of agent for service)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing: U.S. GAAP ☐ International IFRS as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been elected, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

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FOR FISCAL YEAR ENDED JUNE 30, 2021

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EFFECTIVE VOTE REFORMING PERPETUAL CONTROL STATEMENT

This report, including, without limitation, the Company's Consolidated Financial Statements and the Participant Representative and Advisors of Shanghai Commercial Law Firm (PRC Law) (the "Shanghai Law Firm") attached hereto, contains forward-looking statements. Such forward-looking statements are subject to a number of risks and uncertainties, including, but not limited to, the risks described in the Company's filings with the Securities and Exchange Commission ("SEC"), which may cause future results, performance or achievements to differ materially from those expressed or implied in such forward-looking statements. Such risks and uncertainties include, but are not limited to, the following:

- Our ability to implement our business plan and strategies, and to effectively manage our growth and expansion;
- We have a relatively short operating history and have incurred net losses and net cash flows from operations in the past, and we may incur net losses in the future;
- Our ability to continue to meet the listing rules and other requirements of the NASDAQ Stock Market LLC, which may cause the market price of our shares to decline;
- Our ability to attract and retain our customers, and our ability to maintain our brand and reputation and to protect our intellectual property rights;

Notwithstanding, information either our current or future credit ratings or lenders' views and assessments and subject to risks and uncertainties, (i) our Board of Directors (the "Board") and senior management team, (ii) our Board's and senior management team's ability to implement our business plan and strategies, and to effectively manage our growth and expansion, (iii) our ability to continue to meet the listing rules and other requirements of the NASDAQ Stock Market LLC, and (iv) our ability to attract and retain our customers, and our ability to maintain our brand and reputation and to protect our intellectual property rights, we believe that our operations will be effectively controlled, planned and managed in the future.

FOR THE COMPANY REPORTING TERMS

Unless the context otherwise requires, such, for the purposes of this report, the following terms:

- "Kun Peng International", or Company, Kunpeng Group, Kunpeng International, Kunpeng Technology, Ltd., or KPI, refer to our Company and its subsidiaries;
- "China" and "the PRC" or the People's Republic of China, refer to the People's Republic of China;
- "Shanghai" or "Shanghai City" refer to the People's Republic of China's Shanghai City;
- "Shanghai Law" or "Participants", refer to the Shanghai Law Firm (PRC Law) and the Participant Representative and Advisors of Shanghai Commercial Law Firm (PRC Law);
- "Technology Law" or "Technology Law Firm", refer to the Technology Law Firm (PRC Law);
- "PRC" or "Chinese" refer to the PRC Law;
- "Shanghai Law" refer to the Shanghai Commercial Law Firm (PRC Law);
- "Kunpeng Group" refer to Kunpeng Group Holdings Limited, a Cayman Islands company, and its subsidiaries;
- "Kun Peng International Holdings" refer to Kun Peng International Holdings Limited, a British Virgin Islands company, and its subsidiaries;
- "Kun Peng International Holdings Limited" refer to Kun Peng International Holdings Limited, a British Virgin Islands company, and its subsidiaries;
- "Kun Peng International

	Year ended December 31,			Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
Net income/(loss)	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net income/(loss) attributable to Company's shareholders	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net income/(loss) per share	0.04	(0.03)	0.04	(0.03)	0.04	(0.03)
Net income/(loss) per share attributable to Company's shareholders	0.04	(0.03)	0.04	(0.03)	0.04	(0.03)
Weighted average shares used in calculation of net income/(loss) per share	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000
Weighted average shares used in calculation of net income/(loss) per share attributable to Company's shareholders	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000

As of September 30, 2021

	Year ended December 31,			Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
Cash and cash equivalents	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Short-term investments	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Accounts receivable, net	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total current assets	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Total assets	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Total current liabilities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total liabilities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Mezzanine equity	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Company's shareholders' equity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Non-controlling interests	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total shareholders' equity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total liabilities, mezzanine equity and shareholders' equity	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000

For the six months ended September 30, 2021

	Year ended December 31,			Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
Net income/(loss)	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net income/(loss) attributable to Company's shareholders	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net income/(loss) per share	0.04	(0.03)	0.04	(0.03)	0.04	(0.03)
Net income/(loss) per share attributable to Company's shareholders	0.04	(0.03)	0.04	(0.03)	0.04	(0.03)
Weighted average shares used in calculation of net income/(loss) per share	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000
Weighted average shares used in calculation of net income/(loss) per share attributable to Company's shareholders	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000

For the six months ended September 30, 2021

	Year ended December 31,			Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
Net income/(loss)	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net income/(loss) attributable to Company's shareholders	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net income/(loss) per share	0.04	(0.03)	0.04	(0.03)	0.04	(0.03)
Net income/(loss) per share attributable to Company's shareholders	0.04	(0.03)	0.04	(0.03)	0.04	(0.03)
Weighted average shares used in calculation of net income/(loss) per share	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000
Weighted average shares used in calculation of net income/(loss) per share attributable to Company's shareholders	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000

Unaudited Consolidated Statements of Operations Data

For the Year ended December 31,

	Year ended December 31,			Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
Revenues	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Cost of revenues			1,788,125	(1,171,171)	1,788,125	(1,171,171)
Gross profit/(loss)			1,788,125	(1,171,171)	1,788,125	(1,171,171)
Operating expenses	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Sales and marketing	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
General and administrative	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Research and development	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Total operating expenses	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Operating income/(loss)	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Other income/(expense), net	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Income/(loss) before income tax expense	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Income tax expense	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net income/(loss)	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net income/(loss) attributable to Company's shareholders	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net income/(loss) per share	0.04	(0.03)	0.04	(0.03)	0.04	(0.03)
Net income/(loss) per share attributable to Company's shareholders	0.04	(0.03)	0.04	(0.03)	0.04	(0.03)
Weighted average shares used in calculation of net income/(loss) per share	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000
Weighted average shares used in calculation of net income/(loss) per share attributable to Company's shareholders	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000	42,000,000

Unaudited Consolidated Statements of Cash Flows

For the Year ended December 31,

	Year ended December 31,			Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
				Year ended December 31,		
Net income/(loss)	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net cash provided by/(used in) operating activities			1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net cash provided by/(used in) investing activities			1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net cash provided by/(used in) financing activities	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Effect of exchange rate fluctuation on cash			1,788,125	(1,171,171)	1,788,125	(1,171,171)
Net increase/(decrease) in cash	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)
Cash, cash equivalents and restricted cash, beginning of year			1,788,125	(1,171,171)	1,788,125	(1,171,171)
Cash, cash equivalents and restricted cash, end of year	1,788,125	(1,171,171)	1,788,125	(1,171,171)	1,788,125	(1,171,171)

On December 31, 2021, the Company implemented a Phase-out plan for Repurchase and Retail Sales of Shares, which shall be wholly completed by the third anniversary of the date of the Company's Prospectus, pursuant to which the Company will no longer accept subscriptions for Shares from, or sell Shares to, Mainland China investors. Pursuant to the Phase-out plan, the Company will no longer accept subscriptions for Shares from, or sell Shares to, Mainland China investors, and will gradually reduce the number of Shares held by Mainland China investors through redemptions and repurchases of Shares. The Phase-out plan will be implemented in accordance with the Company's Prospectus and applicable laws and regulations. Please see "Risk Factors – Risks Relating to Our Business – Our business in Mainland China may be adversely affected by the implementation of the Phase-out plan" for more information.

On December 31, 2021, the Company implemented a Phase-out plan for Repurchase and Retail Sales of Shares, which shall be wholly completed by the third anniversary of the date of the Company's Prospectus, pursuant to which the Company will no longer accept subscriptions for Shares from, or sell Shares to, Mainland China investors. Pursuant to the Phase-out plan, the Company will no longer accept subscriptions for Shares from, or sell Shares to, Mainland China investors, and will gradually reduce the number of Shares held by Mainland China investors through redemptions and repurchases of Shares. The Phase-out plan will be implemented in accordance with the Company's Prospectus and applicable laws and regulations. Please see "Risk Factors – Risks Relating to Our Business – Our business in Mainland China may be adversely affected by the implementation of the Phase-out plan" for more information.

Capital Adequate Requirements. On August 30, 2021, the Securities and Futures Commission of Hong Kong promulgated the Financial Resources Rules ("Financial Resources Rules") of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO") which, among other matters, provides for a new regime for the calculation of liquid capital by licensed corporations. The Financial Resources Rules will be amended from time to time, and such amendments may have a material adverse effect on our business, financial condition and results of operations. Please see "Risk Factors – Risks Relating to Our Business – Our business may be adversely affected by the implementation of the Phase-out plan" for more information.

Data Privacy. In compliance with the PRC Cybersecurity Law, the Hong Kong Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) ("PDPO"), the Hong Kong Cybersecurity Ordinance, the Hong Kong Cybersecurity Code of Practice, the Cybersecurity Review Measures, and the Personal Information Protection Law, we have implemented internal policies and procedures to protect personal information and other confidential information we collect, process, and transmit in the ordinary course of our business. We have also implemented internal policies and procedures to comply with applicable laws and regulations governing the collection, use, disclosure, and transfer of personal information, including, among other matters, the PRC Cybersecurity Law, the PDPO, the Cybersecurity Review Measures, and the Personal Information Protection Law

In Series PRC, the Subscribers' Investment Amount will be used to fund the purchase of the Subscribed Shares, which will be used by the Company to fund its operations in the PRC, including but not limited to, (i) the payment of salaries and other expenses, (ii) the payment of taxes, (iii) the payment of rent and other expenses associated with the operation of its offices and other facilities in the PRC, (iv) the payment of fees and expenses associated with the Company's listing on the Nasdaq Capital Market, and (v) other general corporate purposes.

The PRC Enterprises have stated with respect to their SAFE permits that personal information and important data collected and generated by operators of critical information infrastructure, telecommunications operators, and other key industries and fields in the course of their operations within the mainland territory of the PRC must be stored in the mainland territory of the PRC.

As of August 2021, the Subsidiaries of the Company collectively hold the requisite licenses and permits from the PRC government to conduct their business in the PRC. To the extent any of the Company's Subsidiaries in the PRC are required to obtain additional licenses or permits in the future, the Company's Subsidiaries in the PRC may be required to obtain such licenses or permits from the applicable PRC government authorities. The Company's Subsidiaries in the PRC may be required to pay fines or be subject to other penalties if they do not obtain such licenses or permits in the future. The Company's Subsidiaries in the PRC may be required to cease their operations if they do not obtain such licenses or permits in the future. See "Risk Factors" beginning on page 10 of this prospectus for more information regarding the risks associated with the Company's Subsidiaries in the PRC.

As of November 15, 2021, the Company's Subsidiaries in the PRC have obtained the following licenses and permits from the PRC government: (i) the Company's Subsidiary in Shenzhen, Shenzhen Qianhai Shiyuan Technology Co., Ltd. ("Shenzhen Shiyuan") has obtained a business license, a value-added telecommunications business operation license, a software product registration certificate, a software enterprise certificate, a software copyright registration certificate, a domain name registration certificate, a trademark registration certificate, a trademark application receipt, a patent application receipt, a patent application acceptance notice, a patent application publication notice, a patent application substantive examination notice, a patent application rejection notice, a patent application invention notice, a patent application utility model notice, a patent application design notice, a patent application rejection notice, a patent application invalidation notice, a patent application revocation notice, a patent application transfer notice, a patent application change notice, a patent application withdrawal notice, a patent application withdrawal notice, a patent application withdrawal

Other assets	2,147	1,777
Total assets	$ 1,000,000	$ 1,000,000
Accounts payable	$ 1,000	$ 1,000
Accrued expenses	2,000	2,000
Deferred revenue	1,000	1,000
Other liabilities	2,000	2,000
Total liabilities	$ 6,000	$ 6,000
Stockholders' equity	994,000	994,000
Total liabilities and equity	$ 1,000,000	$ 1,000,000

Selling expenses

Selling and marketing expenses for the year ended September 30, 2020 and 2019, were $1,000 and $1,000, respectively, and for the 9 months ended September 30, 2020 and 2019, were $1,000 and $1,000, respectively. Advertising expenses are expensed as incurred. Advertising expenses were $1,000 and $1,000 for the 9 months ended September 30, 2020 and 2019, respectively.

Other expenses, net

Other expenses, net for the year ended September 30, 2020 and 2019, for the 9 months ended September 30, 2020 and 2019, consisted of the following:

	For the Year ended September 30,		For the Nine Months ended September 30,	
	2020	2019	2020	2019
Interest income for Other Assets	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Other income	1,000	1,000	1,000	1,000
Other expenses	(1,000)	(1,000)	(1,000)	(1,000)
Other expenses, net	$ 1,000	$ 1,000	$ 1,000	$ 1,000

Income tax expense

Income tax expense for the year ended September 30, 2020 and 2019, for the 9 months ended September 30, 2020 and 2019, consisted of the following:

	For the Year ended September 30,		For the Nine Months ended September 30,	
	2020	2019	2020	2019
Current income tax expense	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Deferred income tax expense	1,000	1,000	1,000	1,000
Total income tax expense	$ 1,000	$ 1,000	$ 1,000	$ 1,000

The following table sets forth a summary of changes in our working capital as of September 30, 2020 and 2019:

	September 30,		Change
	2020	2019	
Current Assets	$ 1,000,000	$ 1,000,000	$ 1,000,000
Current Liabilities	$ 1,000,000	$ 1,000,000	$ 1,000,000

As of September 30, 2020, our working capital increased by $1,000,000 from September 30, 2019 primarily due to the increase in our cash and cash equivalents of $1,000,000 and the increase in our prepaid expenses and other current assets of $1,000,000 offset by the increase in our accounts payable of $1,000,000. We anticipate that the majority of our working capital requirements in the next twelve months will be for our operations, including our research and development activities, and for our capital expenditures. We believe that our cash and cash equivalents, together with our expected cash flows from operations, will be sufficient to meet our anticipated cash requirements for at least the next twelve months.

In our opinion, we have made all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of our financial position and results of operations for the periods presented. Our operating results for any quarter are not necessarily indicative of results to be expected for any other quarter or for the year as a whole.

In our offices in Jaipur and elsewhere in India, we have made investments in our information technology infrastructure, and in the research and development facilities and equipment, including equipment and facilities for our research and development activities, and for our capital expenditures. We intend to continue to make such investments. We do not expect to incur long-term debt. Furthermore, we intend to continue to make investments in our information technology infrastructure, and in the research and development facilities and equipment, including equipment and facilities for our research and development activities, and for our capital expenditures.

Critical Accounting Policies and Estimates

The financial statements included in this Annual Report on Form 20-F have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). In preparing our financial statements in accordance with US GAAP, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenues and expenses during the reporting periods. Our critical accounting policies are those that we believe are most important to our financial condition and results of operations, and require our most difficult, subjective and complex judgments, and the most extensive use of accounting estimates and assumptions. Our critical accounting policies include:

Revenue recognition

We derive our revenues from the sale of our products and services. Our revenues are recognized when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. We have adopted ASC Topic 606, Revenue from Contracts with Customers, using the modified retrospective method. We have applied the guidance in ASC Topic 606 to all contracts with customers. We recognize revenue when our customer obtains control of the promised goods or services. We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy the performance obligation.

Our revenues are derived from the following:

	For the Year ended September 30,		For the Nine Months ended September 30,	
	2020	2019	2020	2019
Sale of goods	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Rendering of services	1,000,000	1,000,000	1,000,000	1,000,000
Total revenue from contracts with customers	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000

Our revenues are derived from the following geographical markets:

	For the Year ended September 30,		For the Nine Months ended September 30,	
	2020	2019	2020	2019
Rendering of services	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Sale of goods	1,000,000	1,000,000	1,000,000	1,000,000
Total revenue from contracts with customers	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000

Cost of revenues

Cost of revenues consists of cost of goods sold, which consists of raw materials, direct labor, and other direct and indirect costs, including depreciation and amortization, and cost of services, which consists of direct and indirect costs, including depreciation and amortization, and other costs associated with our data centers and our cloud infrastructure. Our cost of revenues also includes amortization of our capitalized software development costs, and our capitalized costs to obtain and fulfill our contracts with our customers.

Our cost of revenues for the year ended September 30, 2020 and 2019, for the 9 months ended September 30, 2020 and 2019, consisted of the following:

	For the Year ended September 30,		For the Nine Months ended September 30,	
	2020	2019	2020	2019
Cost of goods sold	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Cost of services	1,000,000	1,000,000	1,000,000	1,000,000
Total cost of revenues	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the undersigned hereby has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Sun Pharmaceutical Industries Limited
(Registrant)

By: /s/ Dilip Shanghvi		
Name:	Dilip Shanghvi	
Title:	Managing Director (Principal Executive Officer and Director)	
Date:	December 31, 2021	
By: /s/ Sudhir Valia		
Name:	Sudhir Valia	
Title:	Chief Financial Officer (Principal Financial Officer)	
Date:	December 31, 2021	
By: /s/ Abhay Gandhi		
Name:	Abhay Gandhi	
Title:	Director	
Date:	December 31, 2021	

SUN PHARMACEUTICAL INDUSTRIES LIMITED
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021
AND
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
Consolidated Financial Statements for the fiscal years ended September 30, 2020 and 2021

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and shareholders of
Sun Pharmaceutical Industries Limited
(Formerly Sun Pharma Global Inc.)

We have audited the accompanying consolidated balance sheet of Sun Pharmaceutical Industries Limited (formerly Sun Pharma Global Inc.) and subsidiaries (the "Company") as of September 30, 2020 and 2021, and the related consolidated statements of income and comprehensive income, changes in shareholders' equity and cash flows for the fiscal years ended September 30, 2020 and 2021, and the fifteen months ended September 30, 2019, and the related notes to the financial statements (collectively, the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of September 30, 2021, and the related notes to the financial statements, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB").

Management's Responsibility for Internal Control over Financial Reporting

The accompanying consolidated financial statements have been prepared by the Company in accordance with generally accepted accounting principles in the United States of America ("US GAAP"). Management is responsible for the fair presentation of the consolidated financial statements in conformity with US GAAP, and for the effectiveness of internal control over financial reporting, which is a process designed by management, or under its supervision, and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP.

These financial statements are not intended and, accordingly, we do not express an opinion or any other conclusion with respect to the effectiveness of such internal control over financial reporting, or on the fairness of the financial statements of any entity other than the Company.

Basis for our Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the US federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances.

Critical Audit Matters

The critical audit matters communicated to the Company's audit committee that relate to the financial statements that are material to the Company and that involve our most challenging, subjective, or complex judgments are: (1) the assessment of the recoverability of the carrying amount of certain intangible assets and goodwill; and (2) the assessment of the Company's uncertain tax positions. The critical audit matters do not alter in any manner the opinion we are rendering on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the accounts or disclosures to which they relate.

(1) The assessment of the recoverability of the carrying amount of certain intangible assets and goodwill

As described in Notes 2(j) and 2(k) to the financial statements, goodwill and certain intangible assets are tested for impairment by the management annually and whenever there is an indicator of impairment. The Company's impairment tests for goodwill and certain intangible assets with indefinite lives are based on the fair value of the respective reporting units. The fair value of the Company's intangible assets with indefinite lives is based on the discounted cash flows expected to be generated from the use and eventual sale of the assets. The Company's impairment test for other intangible assets is based on the undiscounted cash flows expected to be generated from the use and eventual sale of the assets.

The assessment of the recoverability of the carrying amount of certain intangible assets and goodwill is a critical audit matter because of the significant judgments and estimates made by the Company's management in determining the fair value of the Company's intangible assets with indefinite lives and goodwill, which involve the forecasting of future revenues and expenses, and the selection of the discount rate and long-term growth rate, respectively, for the Company's reporting units. These judgments and estimates have a significant impact on the fair value of the Company's intangible assets with indefinite lives and goodwill, and certain of these judgments and estimates have been made in connection with the Company's acquisition of Taro. We have audited the Company's impairment tests for goodwill and certain intangible assets with indefinite lives, including the Company's forecasts of future revenues and expenses, and the selection of the discount rate and long-term growth rate for the Company's reporting units, and have compared the Company's forecasts of future revenues and expenses to the Company's historical results and to other relevant industry and market data.

(2) The assessment of the Company's uncertain tax positions

As described in Notes 2(ae) and 2(af) to the financial statements, the Company's uncertain tax positions are subject to a two-step process. The first step is to determine whether it is more-likely-than-not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation, based on the technical merits of the position. The second step is to measure the tax benefit to be recognized and to be realized upon ultimate settlement. The Company's uncertain tax positions are material to the financial statements, and the Company's management has made significant estimates in connection with the Company's uncertain tax positions.

The assessment of the Company's uncertain tax positions is a critical audit matter because of the significant judgments and estimates made by the Company's management in determining the amounts to be recognized in the financial statements. We have audited the Company's uncertain tax positions, including the Company's assessment of the technical merits of the positions and the Company's estimates of the amounts to be recognized in the financial statements, and have compared the Company's uncertain tax positions to the Company's historical results and to other relevant industry and market data.

Mumbai, India
December 31, 2021

We have served as the Company's auditor since 2021.

SUN PHARMACEUTICAL INDUSTRIES LIMITED
CONSOLIDATED BALANCE SHEET
AS AT U.S. DOLLARS, Except share data or otherwise stated

	Notes	As at September 30, 2020	As at September 30, 2021
Assets			
Cash and cash equivalents	3	$ 1,000.00	$ 1,000.00
Short term investments	4	1,000.00	1,000.00
Trade receivables, net	5	1,000.00	1,000.00
Inventories and work-in-progress	6	1,000.00	1,000.00
Other current assets	7	1,000.00	1,000.00
Deferred tax assets	8	1,000.00	1,000.00
Property, plant and equipment, net	9	1,000.00	1,000.00
Goodwill	10	1,000.00	1,000.00
Intangible assets, net	10	1,000.00	1,000.00
Investments	11	1,000.00	1,000.00
Other non-current assets	12	1,000.00	1,000.00
Total assets		1,000.00	1,000.00
Liabilities and equity			
Short term borrowings	13	1,000.00	1,000.00
Current maturities of long-term debt	13	1,000.00	1,000.00
Trade payables	14	1,000.00	1,000.00
Other current liabilities	15	1,000.00	1,000.00
Income tax payable		1,000.00	1,000.00
Deferred tax liabilities	8	1,000.00	1,000.00
Other non-current liabilities	16	1,000.00	1,000.00
Long-term debt	13	1,000.00	1,000.00
Equity of Sun Pharmaceutical Industries Limited		1,000.00	1,000.00
Equity attributable to non-controlling interests		1,000.00	1,000.00
Total liabilities and equity		1,000.00	1,000.00

The accompanying notes are an integral part of these consolidated financial statements.

SUN PHARMACEUTICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
AS AT U.S. DOLLARS, Except share data or otherwise stated

	Notes	Fifteen months ended September 30, 2019	Year ended September 30, 2020	Year ended September 30, 2021
Revenue, net		$ 1,000.00	$ 1,000.00	$ 1,000.00
Cost of sales		1,000.00	1,000.00	1,000.00
Gross profit		1,000.00	1,000.00	1,000.00
Selling expenses		1,000.00	1,000.00	1,000.00
Administrative expenses		1,000.00	1,000.00	1,000.00
Research and development expenses		1,000.00	1,000.00	1,000.00
Other income		1,000.00	1,000.00	1,000.00
Other expenses		1,000.00	1,000.00	1,000.00
Operating income		1,000.00	1,000.00	1,000.00
Finance expenses		1,000.00	1,000.00	1,000.00
Finance income		1,000.00	1,000.00	1,000.00
Share of profit/(loss) of equity accounted investees, net of tax		1,000.00	1,000.00	1,000.00
Income before income taxes		1,000.00	1,000.00	1,000.00
Income tax expense		1,000.00	1,000.00	1,000.00
Net income		1,000.00	1,000.00	1,000.00
Net income attributable to non-controlling interests		1,000.00	1,000.00	1,000.00
Net income attributable to Sun Pharmaceutical Industries Limited		1,000.00	1,000.00	1,000.00
Other comprehensive income/(loss), net of tax		1,000.00	1,000.00	1,000.00
Comprehensive income attributable to Sun Pharmaceutical Industries Limited		1,000.00	1,000.00	1,000.00
Comprehensive income attributable to non-controlling interests		1,000.00	1,000.00	1,000.00
Earnings per share				
Basic	17	1,000.00	1,000.00	1,000.00
Diluted	17	1,000.00	1,000.00	1,000.00
Weighted average shares used in earnings per share calculation				
Basic		1,000,000,000	1,000,000,000	1,000,000,000
Diluted		1,000,000,000	1,000,000,000	1,000,000,000

The accompanying notes are an integral part of these consolidated financial statements.

SUN PHARMACEUTICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT U.S. DOLLARS, Except share data or otherwise stated

	Common shares	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income/(loss)	Sun Pharmaceutical Industries Limited shareholders' equity	Non-controlling interests	Total equity
Balance, September 30, 2018	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00	$ 1,000.00
Net income/(loss)			1,000.00		1,000.00	1,000.00	1,000.00
Other comprehensive income/(loss)				1,000.00	1,000.00	1,000.00	1,000.00
Balance, September 30, 2019	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Net income/(loss)			1,000.00		1,000.00	1,000.00	1,000.00
Other comprehensive income/(loss)				1,000.00	1,000.00	1,000.00	1,000.00
Balance, September 30, 2020	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Net income/(loss)			1,000.00		1,000.00	1,000.00	1,000.00
Other comprehensive income/(loss)				1,000.00	1,000.00	1,000.00	1,000.00
Balance, September 30, 2021	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00

SUN PHARMACEUTICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT U.S. DOLLARS, Except share data or otherwise stated

	Fifteen months ended September 30, 2019	Year ended September 30, 2020	Year ended September 30, 2021
Cash flow from operating activities:			
Net income/(loss)	$ 1,000.00	$ 1,000.00	$ 1,000.00
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:			
Depreciation and amortization	1,000.00	1,000.00	1,000.00
Share-based compensation	1,000.00	1,000.00	1,000.00
Impairment of assets	1,000.00	1,000.00	1,000.00
Deferred tax expense/(benefit)	1,000.00	1,000.00	1,000.00
Other non-cash items	1,000.00	1,000.00	1,000.00
Changes in operating assets and liabilities:			
Trade receivables, net	1,000.00	1,000.00	1,000.00
Inventories and work-in-progress	1,000.00	1,000.00	1,000.00
Other assets	1,000.00	1,000.00	1,000.00
Trade payables	1,000.00	1,000.00	1,000.00
Other liabilities	1,000.00	1,000.00	1,000.00
Income tax payable	1,000.00	1,000.00	1,000.00
Net cash provided by/(used in) operating activities	1,000.00	1,000.00	1,000.00
Cash flows from investing activities:			
Purchase of property, plant and equipment	1,000.00	1,000.00	1,000.00
Purchase of intangible assets	1,000.00	1,000.00	1,000.00
Purchase of investments	1,000.00	1,000.00	1,000.00
Proceeds from sale of investments	1,000.00	1,000.00	1,000.00
Purchase of short term investments	1,000.00	1,000.00	1,000.00
Proceeds from sale of short term investments	1,000.00	1,000.00	1,000.00
Other investing activities	1,000.00	1,000.00	1,000.00
Net cash provided by/(used in) investing activities	1,000.00	1,000.00	1,000.00
Cash flows from financing activities:			
Proceeds from long-term debt	1,000.00	1,000.00	1,000.00
Repayment of long-term debt	1,000.00	1,000.00	1,000.00
Proceeds from short term borrowings	1,000.00	1,000.00	1,000.00
Repayment of short term borrowings	1,000.00	1,000.00	1,000.00
Other financing activities	1,000.00	1,000.00	1,000.00
Net cash provided by/(used in) financing activities	1,000.00	1,000.00	1,000.00
Effect of exchange rate on cash and cash equivalents	1,000.00	1,000.00	1,000.00
Net cash and cash equivalents, beginning balance	1,000.00	1,000.00	1,000.00
Net cash and cash equivalents, ending balance	1,000.00	1,000.00	1,000.00
Supplemental cash flow information:			
Interest paid	1,000.00	1,000.00	1,000.00
Income taxes paid	1,000.00	1,000.00	1,000.00
Supplemental disclosure of noncash transactions:			
Purchase of property, plant and equipment	1,000.00	1,000.00	1,000.00

The accompanying notes are an integral part of these consolidated financial statements.

SUN PHARMACEUTICAL INDUSTRIES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

Sun Pharmaceutical Industries Limited ("the Company", "SPIL", "We", "Us", "Our") is a Female consolidated Domestic Business of Technical Services Nec. Sun Pharmaceutical Industries Limited (Formerly Sun Pharma Global Inc.) and its subsidiaries (collectively, "Sun Pharma") is a global specialty pharmaceutical company with a focus on specialty medicines.

Sun Pharmaceutical Industries Limited (Formerly Sun Pharma Global Inc.)	Incorporated in Mumbai, India on 1 July 1983	Pharmaceuticals	Parent company
Sun Pharmaceutical Industries Inc. (Formerly Ranbaxy Laboratories Inc.)	Incorporated in Delaware, USA on 1 July 1994	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries (Europe) B.V.	Incorporated in Netherlands on 1 July 1995	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries (Australia) Pty Ltd	Incorporated in Victoria, Australia on 1 July 1996	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries Ltd	Incorporated in Toronto, Canada on 1 July 1997	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries (Europe) Limited	Incorporated in Hertfordshire, UK on 1 July 1998	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries GmbH	Incorporated in Germany on 1 July 1999	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Belgium on 1 July 2000	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Spain on 1 July 2001	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Portugal on 1 July 2002	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Luxembourg on 1 July 2003	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Switzerland on 1 July 2004	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in France on 1 July 2005	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Italy on 1 July 2006	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Greece on 1 July 2007	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Poland on 1 July 2008	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Romania on 1 July 2009	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Bulgaria on 1 July 2010	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Czech Republic on 1 July 2011	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Slovakia on 1 July 2012	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Hungary on 1 July 2013	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Slovenia on 1 July 2014	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Croatia on 1 July 2015	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Estonia on 1 July 2016	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Latvia on 1 July 2017	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Lithuania on 1 July 2018	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Malta on 1 July 2019	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Cyprus on 1 July 2020	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Ireland on 1 July 2021	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2022	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2023	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2024	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2025	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2026	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2027	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2028	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2029	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2030	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2031	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2032	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2033	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2034	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2035	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2036	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2037	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2038	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2039	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2040	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2041	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2042	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2043	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2044	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2045	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2046	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2047	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2048	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2049	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2050	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2051	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2052	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2053	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2054	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2055	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2056	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2057	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2058	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2059	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2060	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2061	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2062	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2063	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2064	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2065	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2066	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2067	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2068	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2069	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2070	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2071	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2072	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2073	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2074	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2075	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2076	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2077	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2078	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2079	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2080	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2081	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2082	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2083	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2084	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2085	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2086	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2087	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2088	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2089	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2090	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2091	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2092	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2093	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2094	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2095	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2096	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2097	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2098	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2099	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2100	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2101	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2102	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2103	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2104	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2105	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2106	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2107	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2108	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2109	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2110	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2111	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2112	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2113	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2114	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2115	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2116	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2117	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2118	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2119	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2120	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2121	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2122	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2123	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2124	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2125	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2126	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2127	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Finland on 1 July 2128	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Denmark on 1 July 2129	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Iceland on 1 July 2130	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Liechtenstein on 1 July 2131	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Norway on 1 July 2132	Pharmaceuticals	Subsidiary
Sun Pharmaceutical Industries S.A.	Incorporated in Sweden on 1 July 2133	Pharmaceutic

Accrued expenses and other liabilities (Note 8) 1,000,000 1,000,000

Deferred income tax liabilities (Note 9) 1,000,000 1,000,000

Total liabilities 1,000,000 1,000,000

Commitments and contingencies (Note 10)

Shareholders' equity (Note 11)

Ordinary shares (par value $0.0001 per share; 500,000,000 authorized shares; 100,000,000 issued and outstanding shares as of December 31, 2020 and 2021) 10,000 10,000

Additional paid-in capital 1,000,000 1,000,000

Retained earnings 1,000,000 1,000,000

Total shareholders' equity 1,000,000 1,000,000

Total liabilities and shareholders' equity 1,000,000 1,000,000

Consolidated Statement of Operations Data

	Year ended December 31, 2020	Year ended December 31, 2021	Six months ended June 30, 2021	Six months ended June 30, 2022
Revenues	1,000,000	1,000,000	1,000,000	1,000,000
Cost of revenues	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Gross profit	1,000,000	1,000,000	1,000,000	1,000,000
Operating expenses	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Operating income	1,000,000	1,000,000	1,000,000	1,000,000
Income before income tax expense	1,000,000	1,000,000	1,000,000	1,000,000
Income tax expense	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net income	1,000,000	1,000,000	1,000,000	1,000,000
Net income attributable to ordinary shareholders	1,000,000	1,000,000	1,000,000	1,000,000
Net income per share attributable to ordinary shareholders, basic and diluted	1,000,000	1,000,000	1,000,000	1,000,000
Weighted average shares used in calculation of net income per share, basic and diluted	1,000,000	1,000,000	1,000,000	1,000,000

Consolidated Statement of Cash Flows Data

	Year ended December 31, 2020	Year ended December 31, 2021	Six months ended June 30, 2021	Six months ended June 30, 2022
Net cash provided by (used in) operating activities	1,000,000	1,000,000	1,000,000	1,000,000
Net cash provided by (used in) investing activities	1,000,000	1,000,000	1,000,000	1,000,000
Net cash provided by (used in) financing activities	1,000,000	1,000,000	1,000,000	1,000,000
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	1,000,000	1,000,000	1,000,000	1,000,000
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,000,000	1,000,000	1,000,000	1,000,000
Cash, cash equivalents, and restricted cash, beginning of period	1,000,000	1,000,000	1,000,000	1,000,000
Cash, cash equivalents, and restricted cash, end of period	1,000,000	1,000,000	1,000,000	1,000,000

Consolidated Balance Sheet Data

	As of December 31, 2020	As of December 31, 2021	As of June 30, 2022	Pro forma as of June 30, 2022	Pro forma as of June 30, 2022
Cash and cash equivalents	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Restricted cash	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total assets	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total current liabilities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total non-current liabilities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total liabilities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total shareholders' equity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total liabilities and shareholders' equity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Consolidated Statement of Operations Data

	Year ended December 31, 2020		Year ended December 31, 2021		Six months ended June 30, 2021		Six months ended June 30, 2022	
	Percent Sales	Amount	Percent Sales	Amount	Percent Sales	Amount	Percent Sales	Amount
Revenues	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Cost of revenues	(100.00%)	(1,000,000)	(100.00%)	(1,000,000)	(100.00%)	(1,000,000)	(100.00%)	(1,000,000)
Gross profit	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Operating expenses	(100.00%)	(1,000,000)	(100.00%)	(1,000,000)	(100.00%)	(1,000,000)	(100.00%)	(1,000,000)
Operating income	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Income before income tax expense	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Income tax expense	(100.00%)	(1,000,000)	(100.00%)	(1,000,000)	(100.00%)	(1,000,000)	(100.00%)	(1,000,000)
Net income	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Net income attributable to ordinary shareholders	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000

Consolidated Balance Sheet Data

	As of December 31, 2020		As of December 31, 2021		As of June 30, 2022		Pro forma as of June 30, 2022	
	Percent Sales	Amount	Percent Sales	Amount	Percent Sales	Amount	Percent Sales	Amount
Cash and cash equivalents	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Restricted cash	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Total assets	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Total current liabilities	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Total non-current liabilities	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Total liabilities	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Total shareholders' equity	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000
Total liabilities and shareholders' equity	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000	100.00%	1,000,000

Consolidated Statement of Cash Flows Data

	Year ended December 31, 2020	Year ended December 31, 2021	Six months ended June 30, 2021	Six months ended June 30, 2022
Net cash provided by (used in) operating activities	1,000,000	1,000,000	1,000,000	1,000,000
Net cash provided by (used in) investing activities	1,000,000	1,000,000	1,000,000	1,000,000
Net cash provided by (used in) financing activities	1,000,000	1,000,000	1,000,000	1,000,000
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	1,000,000	1,000,000	1,000,000	1,000,000
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,000,000	1,000,000	1,000,000	1,000,000
Cash, cash equivalents, and restricted cash, beginning of period	1,000,000	1,000,000	1,000,000	1,000,000
Cash, cash equivalents, and restricted cash, end of period	1,000,000	1,000,000	1,000,000

fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends.

As a result of the foregoing restrictions, King Eagle (China), King Eagle (Tianjin), and KP Tian Yu are restricted in their ability to transfer their net assets to the Company. Foreign exchange and other regulations in the PRC may further restrict these entities from transferring funds to the Company in the form of dividends, loans, and advances. As of September 30, 2025, King Eagle (China), King Eagle (Tianjin), and KP Tian Yu incurred negative assets in the amount of $1,391,662, $2,605,498 and $958, respectively. As of September 30, 2024, King Eagle (China), King Eagle (Tianjin) and KP Tian Yu incurred negative assets in the amount of $1,391,662, $2,605,498 and $958, respectively. Accordingly, the Company did not accrue statutory reserve funds as of September 30, 2025 and September 30, 2024.

NOTE 13 - REVENUE

Revenue:

The following table presents revenues and the related cost of goods sold disaggregated by customer type for the years ended September 30, 2025 and 2024:

	For the years ended September 30,	
	2025	2024
Retail product sales	$ 500,744	$ 1,373,016
Wholesale product sales	-	2,164
Equipment-based service revenue	937,383	630,177
Technical service revenue	-	36,027
Commissions	-	2,954
Training	-	34,403
Total	$ 1,438,127	$ 2,078,741

	For the years ended September 30,	
	2025	2024
Performance obligations satisfied at a point in time	$ 500,744	$ 1,448,564
Performance obligations satisfied over time	937,383	630,177
Total	$ 1,438,127	$ 2,078,741

Cost of revenue:

We disaggregated our cost of revenue for years ended September 30, 2025 and 2024:

	For the years ended September 30,	
	2025	2024
Retail product sales	$ 128,280	$ 324,770
Wholesale product sales	-	1,152
Equipment-based service revenue	351,552	259,353
Technical service revenue	-	-
Commissions	-	-
Training	-	20,363
Total	$ 479,832	$ 605,638

NOTE 14 - INCOME TAXES

The Company accounts for income taxes pursuant to the accounting standards that require the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and the tax basis of assets and liabilities, and for the expected future tax benefit to be derived from tax losses and tax credit carryforwards. Additionally, the accounting standards require the establishment of a valuation allowance to reflect the likelihood of realization of deferred tax assets. The Company and its subsidiaries file separate income tax returns.

United States

Kun Peng International Limited is incorporated in the State of Nevada and is subject to United States federal income tax. No provision for income taxes in the U.S. has been made as the Company has no U.S. taxable income for the years ended September 30, 2025 and 2024.

British Virgin Islands

KP International Holding is a holding company organized as an International Business Company under the laws of the British Virgin Islands ("BVI"), and its principal operating subsidiaries are organized under the laws of Hong Kong and the laws of the PRC. KP International and its subsidiaries are not subject to income taxes in the BVI.

Hong Kong

The two-tier profits tax rates system was introduced under the Inland Revenue (Amendment)(No.3) Ordinance 2018 ("the Ordinance") of Hong Kong and became effective for the assessment year 2018/2019. Under the two-tier profits tax rates regime, the profits tax rate for the first $0.26 million (HKD 2 million) of assessable profits of a corporation will be subject to a lowered tax rate of 8.25%, while the remaining assessable profits will be subject to the legacy tax rate of 16.5%.

KP (Hong Kong) did not earn any income that was derived in Hong Kong for the years ended September 30, 2025 and 2024, and, therefore, KP (Hong Kong) were not subject to Hong Kong profits tax for the periods reported.

Since the two-tier profit tax rates regime is tentative, we applied the original profits tax rate, 16.5%, for the calculation of deferred taxes for our subsidiaries in Hong Kong.

PRC

The PRC's statutory income tax rate is 25%. The Company's subsidiaries and VIE registered in the PRC are subject to the income tax rate of 25%, unless otherwise specified.

Income tax expense was comprised of the following:

	September 30,	
	2025	2024
Current		
Federal	$ -	$ -
State	-	-
Foreign	-	2,487
Total current	-	2,487
Deferred		
Federal	-	-
State	-	-
Foreign	-	-
Total deferred	-	-
Total income tax expense	$ -	$ 2,487

A reconciliation between the Company's actual provision for income taxes and the provision at the statutory rate is as follow:

	September 30,	
	2025	2024
Loss before income tax expense	$ (1,268,913)	$ (1,989,260)
Computed tax expense (benefit) with statutory tax rate	21.0%	21.0%
Impact of different tax rates in other jurisdictions	3.0%	3.5%
Tax effect of non-deductible expenses	(1.4)%	(2.2)%
Change in valuation allowance	(22.6)%	(22.4)%
Effective tax rate	0.0%	(0.1)%

Uncertain tax positions

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by the respective jurisdictions, where applicable. The statute of limitations for the tax returns varies by jurisdiction.

The statute of limitations for the U.S. Internal Revenue Service to assess the income tax returns of a taxpayer expires three years from the due date of the income tax return or the date on which it was filed, whichever is later.

In accordance with the Hong Kong profits tax regulations, a tax assessment by the IRD may be initiated within six years after the relevant year of assessment, but that period is extendable to 10 years in the case of potential willful underpayment or evasion.

In accordance with the PRC Tax Administration Law on the Levying and Collection of Taxes, the PRC tax authorities generally have up to five years to assess underpaid tax plus penalties and interest for PRC entities' tax filings. In the case of tax evasion, which is not clearly defined in the law, there is no limitation on the tax years open for investigation. Accordingly, the PRC entities remain subject to examination by the tax authorities based on the above.

As of September 30, 2025 and 2024, the Company did not accrue any liability, interest, or penalties related to uncertain tax positions in the provision for income taxes in its consolidated financial statements. The Company does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months.

NOTE 15 - RIGHT-OF-USE ASSETS AND LEASE

The Company has operating leases for its office facilities, automobiles and employee accommodation and finance lease for equipment for revenue service. The Company classified the equipment for revenue service as finance lease as the lessor will transfer the ownership of equipment for revenue service to the Company by the end of the lease term.

Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company recognized lease expense on a straight-line basis over the lease term for operating lease. Meanwhile, the Company recognized the finance leases ROU assets and interest on an amortized cost basis.

The following table provides a summary of leases as of September 30, 2025 and 2024:

Assets/liabilities	Classification	September 30, 2025	September 30, 2024
Assets			
Operating lease right-of-use assets	Operating lease assets	$ 89,073	$ 284,524
Finance lease right-of-use assets	Finance lease assets	111,931	309,445
Total lease assets		$ 201,004	$ 593,969
Liabilities			
Current			
Operating lease liability - current	Current operating lease liabilities	$ 52,017	$ 238,979
Finance lease liability - current	Current finance lease liabilities	75,765	196,879
		$ 127,782	$ 435,858
Long-term			
Operating lease liability – net of current portion	Long-term finance lease liabilities	$ 34,006	$ 44,622
Finance lease liability – net of current portion	Long-term operating lease liabilities	-	76,862
		34,006	121,484
Total lease liabilities		$ 161,788	$ 557,342

The operating lease expense for the years ended September 30, 2025 and 2024 was as follows:

		September 30,	
Lease cost	Classification	2025	2024
Operating lease cost			
Lease expenses – short-term	General and administrative	$ 9,324	$ 8,328
Lease expenses	General and administrative	173,823	296,226
Finance lease cost			
Amortization of leased asset	Cost of revenues	190,604	87,265
Interest on lease liabilities	Other expense - other	7,999	6,688
Total lease cost		$ 381,750	$ 398,506

Maturities of operating lease and finance lease liabilities as of September 30, 2025 were as follows:

Maturity of Lease Liabilities	Operating lease	Finance lease
2026	$ 58,997	$ 76,739
2027	29,499	-
Thereafter	-	-
Total lease payments	88,496	76,739
Less: Interest	(2,473)	(975)
Present value of lease payments	$ 86,023	$ 75,765

Maturities of operating lease and finance lease liabilities as of September 30, 2024, were as follows:

Maturity of Lease Liabilities	Operating lease	Finance lease
2025	$ 244,243	$ 205,103
2026	44,887	77,848
Thereafter	-	-
Total lease payments	289,130	282,951
Less: Interest	(5,529)	(9,210)
Present value of lease payments	$ 283,601	$ 273,741

Supplemental information related to operating leases and finance leases was as follows:

	September 30	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities	$ 367,470	$ 346,659
New operating lease assets obtained in exchange for operating lease liabilities	$ 123,030	$ 561,527
Weighted average remaining operating lease term	1.42 year	1.18 year
Weighted average remaining finance lease term	0.56 year	1.56 year
Weighted average discount rate for operating lease	3.60%	4.60%
Weighted average discount rate for finance lease	4.75%	4.75%

The amortization expense was $372,377 and $373,760 for the years ended September 30, 2025 and 2024, respectively.

NOTE 16 - SHORT-TERM BORROWING

	Loan period	Interest rate	September 30, 2025	September 30, 2024
China Construction Bank Co., LTD. Beijing Mentougou Branch	December 19, 2024 to December 19, 2026	3.86%	$ 100,014	$ -
Short-term borrowing			$ 100,014	$ -

The loans were guaranteed by a shareholder, with interest rate of 3.86%. The loan principal was $100,014 and can be borrowed and repaid at any time within the loan period.

NOTE 17 - COMMITMENTS AND CONTINGENCIES

Purchase and service commitments

We entered into multiple purchase and service commitments. As of September 30, 2025 and September 30, 2024, we had purchase and service commitments in an amount of $24,461 and $4,987, respectively.

NOTE 18 - SUBSEQUENT EVENT

Independent Non-Executive Director Lingya Jia resigned and the Board of Directors appointed Kun Hu as an Independent Non-Executive Director effective December 4, 2025 to fill the existing vacancy on the Company's Board of Directors.

As of September 30, 2025, the Company evaluated and concluded that there are no subsequent events that would require recognition or disclosure in the financial statements, other than as disclosed above.