Kun Peng International Ltd.

Amendment to Annual Report for 09/30/2025 originally published through the OTC Disclosure & News Service on 01/08/2026

Explanatory Note:
Updated Annual Report

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2025

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______________ to ______________

Commission File Number: 333-169805

KUN PENG INTERNATIONAL LTD.

(Exact name of issuer as specified in its charter)

Nevada	**32-0538640**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
Room 2069W, Sihui Building, No 1008-B Huihe South Street Banbidian Village Gaobeidian Town, Chaoyang District Beijing, PRC	**100124**
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code **+ 86-10-87227012**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered pursuant to Section 12(g) 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) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 (Sec. 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 ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging Growth Company	☐

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. Yes ☐ No ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

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 ☒

The aggregate market value of the 58,416,090 shares of common stock held by non-affiliates of the registrant as of March 31, 2025 (the last business day of the registrant’s most recently completed second fiscal quarter) was $5,841,609 based on the last sale price of the registrant’s common stock on such date of $0.10 per share on the OTC Market. Shares of the registrant’s common stock held by each executive officer and director and by each person who holds 10% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of December 19, 2025, the registrant had 400,000,000 shares of common stock, par value $0.0001 per share, issued and outstanding.

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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report, including, without limitation, statements under the sections entitled "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). These statements involve known and unknown risks, uncertainties, and other factors which may cause our actual results, performance, or achievements to be materially different from any historical results and future results, performances, or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, the following factors:

- Our independent registered auditors have expressed substantial doubt about our ability to continue as a going concern.
- We may continue to incur losses in the future and may not be able to return to profitability, which may cause the market price of our shares to decline.
- Our business plan is based on a relatively new model that may not be successful and we may not successfully implement our business strategies.

Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our estimates and assumptions only as of the date of this report. You should read this report and the documents that we reference and that are filed as exhibits to the report completely and with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update any forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

USE OF CERTAIN DEFINED TERMS

Unless the context otherwise requires and, for the purposes of this report only, references to:

- "Chengdu Wenjiang" are to Chengdu Wenjiang Pengrun Shangyibang Internet Healthcare Co., Ltd, a PRC company and a wholly-owned subsidiary of King Eagle VIE;
- "China" and "the PRC" are to the People's Republic of China;
- "Company" or "KPIL" are to Kun Peng International Ltd., (formerly CX Network Group, Inc.), a Nevada corporation;
- "Deregister" or "Deregistration," with respect to a PRC company, are to the formal legal process to officially terminate the company's existence;
- "Exchange Act" are to the U.S. Securities Exchange Act of 1934, as amended;
- "FIE" are to a foreign invested enterprise;
- "Guoxin Zhengye" are to Guoxin Zhengye Enterprise Management Co., Ltd., a PRC company;

- "Hong Kong" are to the Hong Kong Special Administrative Region of the People's Republic of China;
- "KP (China)" are to Kun Peng (China) Industrial Development Company Limited, a Hong Kong company that was a holding company and a wholly-owned subsidiary of KP International Holding until its deregistration in February 2024;
- "KP (Hong Kong)" are to Kun Peng (Hong Kong) Industrial Development Limited, a Hong Kong company that is a holding company and a wholly-owned subsidiary of KP International Holding;
- "KP International Holding" are to Kun Peng International Holding Limited, a British Virgin Islands company that is a holding company and a wholly-owned subsidiary of the Company;
- "KP Tian Yu" and "WFOE" are to Kun Peng Tian Yu Health Technology (Tianjin) Co. Ltd., a PRC company that is a holding company and a wholly-owned subsidiary of KP (Hong Kong) that has been a wholly foreign-owned enterprise since March 3, 2023;

- "King Eagle (Beijing)" are to King Eagle (Beijing) Technology Co., a PRC company and a wholly- owned subsidiary of King Eagle VIE;
- "King Eagle (China)" are to King Eagle (China) Co., Ltd., a PRC company that is owned 51% by KP Tian Yu and 49% by KP (Hong Kong);
- "King Eagle (Hangzhou)" are to King Eagle (Hangzhou) Health Technology Co., Ltd., a PRC company that was 95% owned by King Eagle VIE until January 17, 2025 and that has been 40% owned by King Eagle VIE since January 17, 2025;
- "King Eagle (Huai'an)" are to King Eagle (Huai'an) Health Management Co., Ltd., (deregistered on August 28, 2025) a PRC company that is a wholly owned subsidiary of King Eagle VIE;
- "King Eagle (Tianjin)" and "King Eagle VIE" are to King Eagle (Tianjin) Technology Co., Ltd., a PRC company and a variable interest entity;
- "Kun Pin Hui (Shandong)" are to Kun Pin Hui (Shandong) Trading Co. Ltd., a PRC company and a wholly-owned subsidiary of King Eagle VIE;
- "Kun Yu (Hainan)" are to Kun Yu (Hainan) Technology Co., Ltd., a PRC company and a wholly-owned subsidiary of King Eagle VIE;
- "Kun Zhi Jian (Huai'an)" are to Kun Zhi Jian (Huai'an) Technology Co., Ltd., (deregistered on August 28, 2025) a PRC company and a wholly-owned subsidiary of King Eagle VIE;
- "Kun Zhi Jian (Shandong)" are to Kun Zhi Jian (Shandong) Health Management Co., Ltd, a PRC company and a wholly-owned subsidiary of King Eagle VIE;
- "member(s)" are to customers who have opened an account with King Eagle VIE so as to make purchases on one of its e-commerce platforms;
- "MOFCOM" are to the Ministry of Commerce of the People's Republic of China;
- "NDRC" are to the National Development and Reform Commission of the People's Republic of China;
- "Renminbi" and "RMB" are to the legal currency of China;
- "SAFE" are to the State Administration of Foreign Exchange of the People's Republic of China;
- "SAT" are to the State Administration of Taxation of the People's Republic of China;
- "SEC" are to the U.S. Securities and Exchange Commission;
- "Securities Act" are to the U.S. Securities Act of 1933, as amended;
- "U.S. dollars," "dollars," and "$" are to the legal currency of the United States;
- "VIE Agreements" are to the agreements entered into by and between King Eagle (China) and King Eagle (Tianjin) to qualify King Eagle (Tianjin) as a variable interest entity, specifically, the Consulting Service Agreement, the Business Operation Agreement, the Proxy Agreement, the Equity Disposal Agreement, and the Equity Pledge Agreement;
- "we," "us," "our," "KPIL," "the Company," and "our Company" are to the combined business of Kun Peng International Ltd. (formerly CX Network Group, Inc.), a Nevada corporation, and its subsidiaries and other consolidated entities;
- "WFOE" are to King Eagle (China), our wholly foreign owned enterprise until March 3, 2023, and KP Tian Yu, our wholly foreign owned enterprise since March 3, 2023.

PART I

ITEM 1. BUSINESS

Regulatory Overview - Legal and Operational Risks

The Company is not a Chinese operating company but rather a Nevada holding company with no operations of its own. It conducts its operations through its PRC subsidiary, King Eagle (China), which conducts its operations through contractual agreements with a variable interest entity ("VIE"), King Eagle (Tianjin), and its subsidiaries (i) King Eagle (Beijing), incorporated on December 1, 2022; (ii) King Eagle (Huai'an), incorporated on September 19, 2023 (deregistered on August 28, 2025); (iii) Kun Zhi Jian (Huai'an), incorporated on October 26, 2023 (deregistered on August 28, 2025); (iv) Kun Zhi Jian (Shandong), incorporated on January 30, 2024; (v) Chengdu Wenjiang, incorporated on February 1, 2024; (vi) Kun Pin Hui (Shandong), incorporated on April 7, 2024; (vii) King Eagle (Hangzhou), incorporated on July 18, 2024 (55% was disposed during the year and as at September 30, 2025 it is 40% owned by King Eagle VIE); and (viii) Kun Yu (Hainan), incorporated on August 20, 2025. Please see "- Corporate History and Structure - Contractual Arrangements" below.

The VIE structure involves unique risks to shareholders and investors. It is used to provide investors with contractual exposure to foreign investment in China-based companies where Chinese law prohibits or restricts direct foreign investment in the operating companies. Due to PRC legal restrictions on foreign ownership in certain businesses, we do not have any equity ownership of the VIE or its subsidiaries; instead, we receive the economic benefits of the VIE's business operations through certain contractual arrangements.

As a result of such series of contractual arrangements, King Eagle (China) is the primary beneficiary of the VIE for accounting purposes and the VIE is a PRC consolidated entity under U.S. GAAP. The Company consolidates the financial results of the VIE and its subsidiaries in its consolidated financial statements in accordance with U.S. GAAP. Neither the Company nor its investors own any equity interest in, have direct foreign investment in, or control through any such ownership of or investment in the VIE. As a result, investors in the Company's common stock are not purchasing an equity interest in the VIE or in its subsidiaries, but instead are purchasing an equity interest in KPIL, the Nevada holding company. These contractual arrangements have not been tested in a court of law in the PRC. Moreover, the binding rights over the VIE's subsidiaries in the contractual arrangements between King Eagle (China) and King Eagle (Tianjin) are implicit and indirect and the company laws and regulations in the PRC governing the business operations of the VIE's subsidiaries are uncertain.

Risks Related to our VIE Structure

- PRC laws and regulations prohibit or restrict foreign ownership of companies that operate Internet information and content, value added telecommunications, and certain other businesses in which we are engaged or could be deemed to be engaged. Consequently, our operations and business in the PRC are conducted through contractual arrangements ("VIE Agreements") with King Eagle VIE. If the Chinese government should disallow or limit the use of the VIE, it could materially and adversely affect our business, which could result in your shares significantly declining in value or becoming worthless. See "Item 1A. Risk Factors - Risks Related to our Commercial Relationship with our VIE - PRC laws and regulations governing our business and the validity of certain of our contractual arrangements are uncertain. If we are found to be in violation of such PRC laws and regulations, our business may be negatively affected, and we may be forced to relinquish our interests in those operations" on page 44.

- Although we have been advised by our PRC counsel that the ownership structures of our PRC subsidiary and King Eagle VIE in China do not violate any applicable PRC law, regulation, or rule currently in effect and that the VIE Agreements are valid, binding, and enforceable in accordance with their terms and applicable PRC laws and regulations currently in effect, but that such ownership structures have not been tested in court, KPIL faces uncertainty with respect to future actions by the PRC government that could significantly affect the enforceability of the VIE Agreements, King Eagle VIE's financial performance, and the value of a shareholder's KPIL shares. See "Item 1A. Risk Factors - Risks Related to our Commercial Relationship with our VIE - We conduct substantially all of our operations in China through our PRC subsidiary, King Eagle (China) and our VIE, with which King Eagle (China) maintains contractual arrangements. There are risks associated with this structure as the PRC has not yet ruled on its legality" on page 45.

- Although the PRC's Ministry of Commerce and its National Development and Reform Commission have announced new edicts regarding the use of VIEs for new overseas offerings, they have indicated that such new requirements will not affect the foreign ownership of companies already listed overseas. Nonetheless, there can be no assurance that such new rules and regulations will not be applied retroactively which may have a substantial negative impact on KPIL's business and consequently on the value of KPIL's securities. See "Item 1A. Risk Factors - Risks Related to our Commercial Relationship with our VIE - PRC laws and regulations governing our business and the validity of certain of our contractual arrangements are uncertain. If we are found to be in violation of such PRC laws and regulations, our business may be negatively affected and we may be forced to relinquish our interests in those operations" on page 44.

- On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law, which took effect on January 1, 2020. Since it is relatively new, substantial uncertainties exist in relation to its interpretation and implementation including future laws, administrative regulations, or provisions of the State Council to provide for contractual arrangements as a form of foreign investment. Therefore, it is uncertain whether our contractual arrangements would be deemed to be in violation of the market access requirements for foreign investment in the PRC, and if they are deemed to be in violation, how our contractual arrangements should be dealt with. See "Item 1A. Risks Factors - Risks Related to our Commercial Relationship with our VIE - Our current corporate structure and business operations may be substantially affected by the newly enacted Foreign Investment Law" on page 46.

- Neither the Company nor its shareholders have a direct equity ownership interest in King Eagle VIE. The Company's relationship to the VIE is defined by the VIE Agreements. Therefore, should the Chinese government disallow or limit the use of the VIE, it could result in your shares significantly declining in value or becoming worthless. See "Item 1A. Risk Factors - Risks Related to our Commercial Relationship with our VIE - We conduct substantially all of our operations in China through our PRC subsidiary, King Eagle (China), and our VIE, with which King Eagle (China) maintains contractual arrangements. There are risks associated with this structure as the PRC has not yet ruled on its legality" on page 45.

For additional risks related to our VIE structure, see "Item 1A. Risk Factors - Risks Related to our Commercial Relationship with our VIE" starting on page 44.

Risks Related to Doing Business in China

- The Chinese government may choose to exercise significant oversight and discretion over the conduct of our business operations in China and may intervene in or influence our operations at any time, which could result in a material change in our and our VIE's operations and/or the value of your shares. See "Item 1A. Risk Factors - Risks Related to Doing Business in China - The Chinese government may choose to exercise significant oversight and discretion over the conduct of our and our VIE's business operations in China" on page 51.

- Regulatory authorities in China have recently implemented regulations concerning privacy and data protection and more stringent laws and regulations may be introduced in China. The PRC Cybersecurity Law provides that personal information and important data collected and generated by operators of critical information infrastructure in the course of their operations in the PRC should be stored in the PRC, and the law imposes heightened regulation and additional security obligations on operators of critical information infrastructure. The Measures for Cybersecurity Review (2021) stipulate that operators of critical information infrastructure purchasing network products and services and online platform operators (together with the operators of critical information infrastructure, the "Operators") carrying out data processing activities that affect or may affect national security shall conduct a cybersecurity review, and any online platform operator who controls more than one million users' personal information must go through a cybersecurity review by the cybersecurity review office if it seeks to be listed in a foreign country. We do not believe that our Company constitutes an Operator pursuant to the Cybersecurity Review (2021) that became effective in February 2022 nor do we control more than one million users' personal information. However, the interpretation and application of consumer and data protection laws in China are often uncertain, in flux, and complicated, including differentiated requirements for different groups of people or different types of data, and there can be no assurance that in the future our operations may not be subject to these regulations which could have a significant material impact on our financial performance and the value of our securities. See "Item 1A. Risk Factors - Risks Related to Doing Business in China - Our business is subject to complex and evolving laws and regulations regarding privacy and data protection" on page 55.

- The Company relies on dividends and other distributions on equity paid by our subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our financial position. King Eagle (China) and it's VIE's ability to distribute dividends is based upon their distributable earnings. Current PRC regulations permit our PRC subsidiaries to pay dividends to their shareholders only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of their after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of their registered capital. This reserve is not distributable as cash dividends. To the extent that cash derived from our VIE's businesses is in the PRC or Hong Kong, or in a PRC or Hong Kong entity, the funds may not be available to fund operations or for other use outside of the PRC or Hong Kong due to interventions in or the imposition of restrictions and limitations by the PRC government on the ability of our PRC or Hong Kong subsidiaries, or of our VIE, to transfer cash. The inability of our Hong Kong or PRC subsidiaries to pay dividends, for whatever reason, could have a material adverse effect on our financial position and, in turn, on the value of our common stock. See "Item 1A. Risk Factors - Risks Related to our Business in China - Restrictions under PRC law on our subsidiaries' ability to make dividend payments and other distributions could materially and adversely affect our ability to grow, make investments or acquisitions that could benefit our business, pay dividends to you, and otherwise fund and conduct our business" on page 60.

- To address persistent capital outflows and the RMB's depreciation against the U.S. dollar in the fourth quarter of 2016, the People's Bank of China and the State Administration of Foreign Exchange, or SAFE, implemented a series of capital control measures in the subsequent months, including stricter vetting procedures for China-based companies to remit foreign currency for overseas acquisitions, dividend payments, and shareholder loan repayments. The PRC government may continue to strengthen its capital controls and our PRC subsidiaries' dividend payments and other distributions may be subject to tightened scrutiny in the future. The PRC government also imposes controls on the conversion of RMB into foreign currencies and the remittance of currencies out of the PRC. Therefore, King Eagle (China) and our VIE may experience difficulties in completing the administrative procedures necessary to obtain and remit foreign currency for the payment of dividends from their profits, if any. Furthermore, if our PRC subsidiaries incur debt on their own in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments. See "Item 1A. Risk Factors - Risks Related to Our Business - We will rely on dividends and other distributions on equity paid by our subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business" on page 44.

- In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax at a rate of 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless reduced under treaties or arrangements between the PRC central government and the governments of other countries or regions where the non-PRC resident enterprises are tax resident. Pursuant to the tax agreement between Mainland China and the Hong Kong Special Administrative Region, the withholding tax rate with respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from the standard rate of 10%. However, if the relevant tax authorities determine that our transactions or arrangements are for the primary purpose of enjoying favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future. Accordingly, there is no assurance that the reduced 5% withholding rate will apply to dividends received by our Hong Kong subsidiary from our PRC subsidiaries. This withholding tax will reduce the amount of dividends we may receive from our PRC subsidiaries. See "Item 1A. Risk Factors - Risks Related to Doing Business in China - Under the Enterprise Income Tax Law, we may be classified as a "resident enterprise" of China. Such classification will likely result in unfavorable tax consequences to us and our non-PRC stockholders" on page 61.

- A downturn in the Chinese or global economy or a change in economic and political policies of China could materially and adversely affect our VIE's business and financial condition. Any deterioration in our VIE's business could have a negative impact on the Company's financial position and, in turn, on the value of its common stock. See "Item 1A. Risk Factors - Risks Related to Doing Business in China - A downturn in the Chinese or global economy, or a change in economic and political policies of China, could materially and adversely affect our VIE's business and financial condition" on page 59.

- Our business operations are conducted in China through our VIE and its subsidiaries. If we should become subject to the recent scrutiny, criticism, and negative publicity involving U.S. listed China-based companies, we may have to expend significant resources to investigate and/or defend negative allegations. If such allegations cannot be addressed and resolved favorably, it could result in a material change in the business operations of our PRC subsidiaries, significantly limit our ability to obtain financing through the sale of additional securities, and cause our securities to significantly decline in value or be worthless. See "Item 1A. Risk Factors - Risks Related to Doing Business in China - If we become directly subject to the recent scrutiny, criticism and negative publicity involving U.S.-listed Chinese companies, we may have to expend significant resources to investigate and resolve the matter, which could harm our business operations, stock price, and reputation and could result in a loss of your investment in our stock, especially if such matter cannot be addressed and resolved favorably" on page 64.

- There are political risks associated with conducting business in Hong Kong and China. See "Item 1A. Risk Factors - Risks Related to Doing Business in China - There are political risks associated with conducting business in China" on page 59.

- Our current auditor, J&S, an independent registered public accounting firm that is headquartered in Malaysia, is a firm registered with the U.S. Public Company Accounting Oversight Board (the "PCAOB"). Although we believe that the Holding Foreign Companies Accountable Act and the related regulations do not currently affect us, we cannot assure you that there will not be any further implementations and interpretations of or amendments to the Holding Foreign Companies Accountable Act or the related regulations, which might pose regulatory risks to and impose restrictions on us because of our operations in mainland China. A potential consequence is that our securities are delisted by the exchange on which our securities are listed. See "Item 1A. Risk Factors - Risks Related to Doing Business in China - To the extent that our independent registered public accounting firm's audit documentation related to their audit reports for the Company may, in the future, be located in China or in Hong Kong, our securities could be delisted and prohibited from trading on a U.S. exchange" on page 58.

Implications of Being a Holding Company - Transfers of Cash to and from Our Subsidiaries

As a holding company, we will rely on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements. Neither the Company nor any of its subsidiaries maintain cash management policies or procedures that dictate how funds are transferred. The Company is permitted under the laws of the State of Nevada and its articles of incorporation (as amended from time to time) to provide funding to its subsidiaries through loans or capital contributions. Our subsidiaries are permitted under the respective laws of China and Hong Kong to provide funding to us through dividends without restrictions on the amount of the funds, other than as limited by the amount of their distributable earnings. However, to the extent that cash is in our PRC or Hong Kong subsidiaries, there is a possibility that the funds may not be available to fund our operations or for other uses outside of the PRC or Hong Kong due to interventions or the imposition of restrictions and limitations by the PRC or the Hong Kong government on their ability to transfer cash**.** In addition, if any of our subsidiaries incur debt on their own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends to us.

As of the date of this Annual Report, our subsidiaries have not experienced any difficulties or limitations on their ability to transfer cash between each other nor do they maintain cash management policies or procedures dictating the amount of such funding or how funds are transferred. None of our subsidiaries has paid any dividends or other distributions or transferred assets to the Company as of the date of this Annual Report. In the future, cash proceeds raised from overseas financing activities may be transferred by the Company to its subsidiaries via capital contribution or shareholder loans, as the case may be. As of the date of this Annual Report, the Company has not made any transfers, paid any dividends, or made any distributions to U.S. investors. None of the Company, our subsidiaries, or our VIE has any plan to distribute earnings or settle amounts owed under the VIE Agreements in the foreseeable future. We intend to retain all available funds and future earnings, if any, for the operation of our VIE's business.

See "Item 1A. Risk Factors - Risks Related to Doing Business in China - Restrictions under PRC law on our subsidiaries' ability to make dividend payments and other distributions could materially and adversely affect our ability to grow, make investments or acquisitions that could benefit our business, pay dividends to you, and otherwise fund and conduct our business" on page 60.

Corporate History and Structure

Kun Peng International Ltd. (formerly known as CX Network Group, Inc.)

The Company was incorporated in the State of Florida on September 3, 2010, under the name of “mLight Tech, Inc.” (“MLGT”). On July 11, 2017, MLGT merged with and into CX Network Group, Inc. (“CXKJ”), a company incorporated in Nevada on July 25, 2005, with CXKJ as the surviving corporation pursuant to an agreement and plan of merger (the “Merger Agreement”) dated July 3, 2017.

Pursuant to the Merger Agreement, immediately after the effective time of the Merger, the Company’s corporate existence is governed by the laws of the State of Nevada and the Articles of Incorporation and bylaws of the Company (the “Domicile Change”), its name was changed to CX Network Group, Inc. (the “Name Change”), and each outstanding share of MLGT’s common stock, par value $0.0001 per share, was converted into 0.0667 outstanding share of common stock of CXKJ, par value $0.0001 per share, at a one-for-fifteen reverse split ratio (the “Reverse Stock Split”) which resulted in reclassification of capital from par value to capital in excess of par value. Immediately prior to the effectiveness of the Reverse Stock Split, we had 217,300,000 shares of common stock of MLGT issued and outstanding. Immediately upon the effectiveness of the Reverse Stock Split, we had 14,486,670 shares of common stock of CXKJ issued and outstanding.

The Name Change, the Domicile Change, and the Reverse Stock Split were effective as of July 11, 2017. Subsequently, the Company’s trading symbol for its common stock was changed to “CXKJ.”

On March 20, 2018, CXKJ, Chuangxiang Holdings Inc., a company incorporated on February 4, 2016 under the laws of the Cayman Islands (“CX Cayman”), Continent Investment Management Limited, a British Virgin Islands company (“Continent”), and Golden Fish Capital Investment Limited, a British Virgin Islands company (“Golden Fish,” and, together with “Continent,” the “CX Cayman Stockholders”) entered into a share exchange agreement (the “Share Exchange Agreement”), pursuant to which CXKJ acquired 100% of the issued and outstanding equity securities of CX Cayman in exchange for 5,350,000 shares of common stock, par value $0.0001 per share, of CXKJ (the “Share Exchange”). As a result of the Share Exchange, CX Cayman became the Company’s wholly owned subsidiary.

Immediately prior to the Share Exchange, we were a shell company with no significant assets or operations. As a result of the Share Exchange, we operated through our PRC affiliated entity, namely Chuangxiang Network Technology (Shenzhen) Limited, located in Shenzhen, China, (“CX Network”). CX Network’s business focused on the development and operation of online dating and mobile gaming products either developed and operated by it, developed by it but co-operated by third parties, or developed by third parties but co-operated by it.

On March 30, 2021, certain of our shareholders (the “Sellers”) and a certain investor (the “Purchaser”) entered into a Stock Purchase Agreement (the “SPA”), pursuant to which the Purchaser acquired 16,683,334 shares of common stock, par value $0.0001 per share, of the Company for an aggregate purchase price of $255,000, subject to satisfaction or waiver of the closing conditions set forth in the SPA.

In connection with the SPA, on the same day, we entered into a spin-off agreement (the “Spin-Off Agreement”) with CX Cayman (the “Spin-Off Subsidiary”) and Continent Investment Management Limited and Golden Fish Capital Investment Limited, (together, the “Spin-Off Subsidiary Buyers”). Pursuant to the Spin-Off Agreement, the Spin-Off Subsidiary Buyers received all of the issued and outstanding capital stock of the Spin-Off Subsidiary for an aggregate purchase price of $1. As a result, the Spin-Off Subsidiary Buyers became the sole equity owners of the Spin-Off Subsidiary and the Company has no further interest in the Spin-Off Subsidiary.

On May 17, 2021, we entered into a Share Cancellation Agreement with a stockholder, Wenhai Xia, to cancel an aggregate of 15,535,309 shares of the Company’s common stock owned by the stockholder.

On May 17, 2021, we entered into a Share Exchange Agreement with Kun Peng International Holding and the holders of all of the outstanding capital stock of KP International Holding. Pursuant to the Share Exchange Agreement, we acquired 100% of the outstanding capital stock of KP International Holding and, in exchange, we issued to the five former shareholders of KP International Holding an aggregate of 34,158,391 shares of the Company’s common stock. As a result of the share exchange (the “2021 Share Exchange”), on May 17, 2021, KP International Holding became our wholly owned subsidiary and the former shareholders of KP International Holding became the holders of approximately 85% of our issued and outstanding capital stock on a fully diluted basis. For accounting purposes, the transaction with KP International Holding was treated as a reverse acquisition, with KP International Holding as the acquirer and the Company as the acquired party. Unless the context suggests otherwise, when we refer in this report to business and financial information for periods prior to the consummation of the reverse acquisition, we are referring to the business and financial information of KP International Holding and its subsidiaries and consolidated entities. As a result of the reverse acquisition, the Company is engaged in the sale of health care products and services through its online platform in the PRC.

Effective October 12, 2022, we increased our authorized common stock from 200,000,000 shares, par value $0.0001, to 1,000,000,000 shares, par value $0.0001, and on October 18, 2022, we effected a 10:1 forward stock split after which we have 400,000,000 shares of common stock issued and outstanding.

On November 8, 2022, the Company changed its name from CX Network Group, Inc. to Kun Peng International Ltd. and its trading symbol was changed to “KPEA.”

On November 11, 2022, the Company received an electronic notice that OTC Markets had approved its application for uplisting from OTC Pink to the OTCQB Venture Market (OTCQB). The Company’s securities commenced trading on the OTCQB at the market open on November 14, 2022. The Company’s shares trade on the OTCQB under the current ticker symbol, “KPEA.”

Kun Peng International Holding Limited

KP International Holding was incorporated in the British Virgin Islands on April 20, 2021. KP International Holding is a holding company. On May 3, 2021, KP International Holding purchased all of the issued and outstanding equity securities of Kun Peng (China) Industrial Development Company Limited, incorporated in Hong Kong on August 11, 2017, for an aggregate cash consideration of $0.129 (HK$1). KP (China) was deregistered on February 2, 2024. After the ownership transfer, KP International Holding became the sole shareholder of KP (China).

Kun Peng (China) Industrial Development Company Limited

KP (China) was incorporated as a limited liability company in Hong Kong under the name of Jing Jin Ji Investment Group Co., Limited (“Jing Jin Ji”) on August 11, 2017. The share capital of the company is 10,000 ordinary shares at $1,292 (HK$10,000) and, prior to its acquisition by KP International Holding, it was wholly owned by an individual. On November 9, 2018, Jing Jin Ji changed its name to Kun Peng (China) Industrial Development Company Limited and it filed a Certificate of Change of Name with the Hong Kong Company Registry on the same day. Although it was incorporated in 2017, it did not commence operations until July 2020 as it focused on exploring business opportunities in its initial phase and on developing our online mobile application, King Eagle Mall, through its subsidiary, King Eagle (China) Co., Ltd. It became a wholly-owned subsidiary of KP International Holding on May 3, 2021.

On August 24, 2023, we filed an application with the Companies Registry of Hong Kong for deregistration and dissolution of KP (China). The application for deregistration was approved on February 2, 2024 by the Hong Kong Company Registry.

Kun Peng (Hong Kong) Industrial Development Limited

KP (Hong Kong) was incorporated as a limited liability company in Hong Kong on June 21, 2021 with a share capital of one ordinary share at approximately $0.13 (HK$1). KP (Hong Kong) is a holding company, is wholly owned by KP International Holding, and is the sole shareholder of Kun Peng Tian Yu Health Technology (Tianjin) Co., Ltd. It also owns 49% of King Eagle (China) Co., Ltd.

Kun Peng Tian Yu Health Technology (Tianjin) Co., Ltd.

KP Tian Yu was established as a wholly-owned subsidiary of KP (Hong Kong) on August 10, 2021 under the laws of the People's Republic of China. with a registered capital of approximately $0.7 million (RMB5,000,000). As of March 3, 2023, it is the owner of 51% of the outstanding shares of King Eagle (China) Co., Ltd.

King Eagle (China) Co., Ltd.

King Eagle (China) was incorporated as a limited liability company in the People's Republic of China on March 20, 2019, with a registered capital of approximately $15 million (RMB100 million). King Eagle (China) was a wholly owned subsidiary of KP (China) at the time of establishment. On November 2, 2020, KP (China) transferred a 15% interest, approximately $2.2 million (RMB 15 million), to Guoxin Ruilian Group Co., Ltd., a limited liability company incorporated in Beijing, PRC.

On March 26, 2021, Guoxin Ruilian Group Co., Ltd. entered into equity transfer agreements with KP (China) and Guoxin Zhengye. Both Guoxin Ruilian Group Co., Ltd. and Guoxin Zhengye are wholly owned by a common shareholder, Guoxin United Holdings Group Co., Ltd. Under the equity transfer agreements, Guoxin Ruilian Group Co., Ltd. agreed to transfer an 8% ownership interest in King Eagle (China) to Guoxin Zhengye and its remaining 7% ownership in King Eagle (China) to KP (China) on April 20, 2021. After the transfer, KP (China) and Guoxin Zhengye became the 92% and 8% shareholders of King Eagle (China), respectively. Guoxin Zhengye agreed to transfer its 8% ownership interest in King Eagle (China) to KP (China) on August 26, 2022. As a result of the transfer, KP (China) became the sole shareholder of King Eagle (China) and King Eagle (China) became a wholly foreign-owned enterprise (WFOE).

On November 1, 2022, KP (China) entered into ownership transfer agreements with KP (Hong Kong) and KP Tian Yu, pursuant to which KP (China) transferred 49% and 51% of its ownership in King Eagle (China) to KP (Hong Kong) and KP Tian Yu, respectively. The ownership transfer was completed on March 3, 2023, after which time King Eagle (China) is no longer a WFOE.

King Eagle (Tianjin) Technology Co., Ltd.

King Eagle VIE was incorporated as a limited liability company in Tianjin Pilot Free Trade Zone in the People's Republic of China on September 2, 2020, with a registered capital of approximately $1.5 million (RMB 10 million). We do not own any of the equity of King Eagle VIE. It is owned by multiple individuals: Yuanyuan Zhang, the Chief Financial Officer of the Company (approximately 32.7%), Zhandong Fan (approximately 27.7%), Xiujin Wang (approximately 10.5%), Jinjing Zhang, Wanfeng Hu, Cuilian Liu, and Zhizhong Wang (each of whom owns approximately 6%), and Hui Teng (approximately 5%). Those shareholders also indirectly owned KP International Holding prior to its acquisition by the Company through two British Virgin Islands entities: Kunpeng Tech Limited and Kunpeng TJ Limited. In addition, Chengyuan Li originally owned 45.5% of the equity of King Eagle VIE; however, Ms. Li transferred all of those shares to Yuanyuan Zhang and Zhandong Fan on June 10, 2025.

Some of the business engaged in by King Eagle VIE is restricted or prohibited for foreign investment under PRC regulations. Therefore, King Eagle (China) entered into VIE Agreements with King Eagle VIE and its shareholders. Although we do not own any equity interests in King Eagle VIE, we control and receive the economic benefits of its business operations through the VIE Agreements. The VIE Agreements enable us to provide King Eagle VIE with consulting services on an exclusive basis, in exchange for all of its annual profits, if any. In addition, we are able to appoint its senior executives and approve all matters requiring approval of its shareholders. The VIE Agreements are comprised of a Consulting Service Agreement, Business Operation Agreement, Proxy Agreement, Equity Disposal Agreement, and Equity Pledge Agreement, which are described in further detail under "Contractual Arrangements," below.

We believe that the VIE Agreements are not subject to any government approval under current Chinese laws and regulations. The shareholders of King Eagle VIE were required to register with SAFE when they established offshore vehicles to hold KP International Holding; such SAFE registration was effected on May 14, 2021. The shareholders of King Eagle VIE have registered their equity pledge arrangement as required under the Equity Pledge Agreement with King Eagle (China). Moreover, the binding rights over the VIE's subsidiaries in the VIE Agreements between King Eagle (China) and King Eagle (Tianjin) are implicit and indirect and the company laws and regulations in the PRC governing the business operations of the VIE's subsidiaries are uncertain. The Company faces uncertainty with respect to future actions by the PRC government that could significantly affect King Eagle VIE's financial performance and the enforceability of the VIE Agreements. See "Contractual Arrangements," below.

King Eagle VIE owns 100% of the outstanding shares of King Eagle (Beijing), Kun Zhi Jian (Shandong), Kun Pin Hui (Shandong), Chengdu Wenjiang, and Kun Yu (Hainan), and 40% of the outstanding shares of King Eagle (Hangzhou).

King Eagle (Beijing) Technology Co., Ltd.

King Eagle (Beijing) was established under the laws of the People's Republic of China on December 1, 2022 with a registered capital of approximately $0.7 million (RMB5 million). It is a wholly-owned subsidiary of King Eagle VIE. King Eagle (Beijing) commenced its operation of our online platform called "Kun Zhi Jian" in January 2023. This platform became one of the components of the Kun Zhi Jian Mini Program in November 2023. Since then, King Eagle (Beijing) has focused on the retail sale of health care related products and dietary supplements.

Kun Zhi Jian (Huai'an) Technology Co., Ltd.

Kun Zhi Jian (Huai'an) was established on October 26, 2023 under the laws of the People's Republic of China with a registered capital of approximately $0.14 million (RMB1 million). It is a wholly-owned subsidiary of King Eagle VIE. Kun Zhi Jian (Huai'an) commenced operations in November 2023 and primarily focused on marketing and selling physiotherapy equipment products. As of the date of this Annual Report, Kun Zhi Jian (Huai'an) completed its deregistration on August 28, 2025.

King Eagle (Huai'an) Health Management Co., Ltd.

King Eagle (Huai'an) was established on September 19, 2023 under the laws of the People's Republic of China with a registered capital of approximately $0.69 million (RMB5 million). It has been a wholly-owned subsidiary of King Eagle VIE since July 19, 2024. King Eagle (Huai'an) became fully operational in October 2023 and focused on coordinating with local health care service providers to offer health screening and monitoring to the Company's customers and members. King Eagle (Huai'an) completed its deregistration on August 28, 2025.

Kun Zhi Jian (Shandong) Health Management Co., Ltd

Kun Zhi Jian (Shandong) was established on January 30, 2024 under the laws of the People's Republic of China with a registered capital of approximately $0.14 million (RMB 1 million). The entity is located in Shandong province, PRC. It is a wholly-owned subsidiary of King Eagle VIE. This entity commenced its operations in February 2024 and focuses on promoting and selling health screening devices.

Chengdu Wenjiang Pengrun Shangyibang Internet Healthcare Co., Ltd

Chengdu Wenjiang was established on February 1, 2024 under the laws of the People's Republic of China with a registered capital of approximately $0.14 million (RMB 1 million). The entity is located in Sichuan province, PRC. It is a wholly-owned subsidiary of King Eagle VIE. This entity has not commenced its operations as of the date of this Annual Report and is applying for online health care and medical services permits from the relevant authorities. There can be no assurance that such permits will be obtained.

Kun Pin Hui (Shandong) Trading Co. Ltd.

Kun Pin Hui (Shandong) was established on November 23, 2023 under the laws of the People's Republic of China with a registered capital of approximately $0.4 million (RMB 3 million). The entity is located in Shandong province, PRC. It has been a wholly-owned subsidiary of King Eagle VIE since April 7, 2024, on which date King Eagle VIE acquired 95% of Kun Pin Hui (Shandong)'s outstanding shares from Zhandong Fan (5% shareholder of King Eagle (Tianjin)) and 5% of its outstanding shares from Yuanyuan Zhang (10% shareholder of King Eagle (Tianjin)) at a purchase price of $0.14 (RMB 1 Yuan) per share. Kun Pin Hui (Shandong) provides online trading services and sells products online.

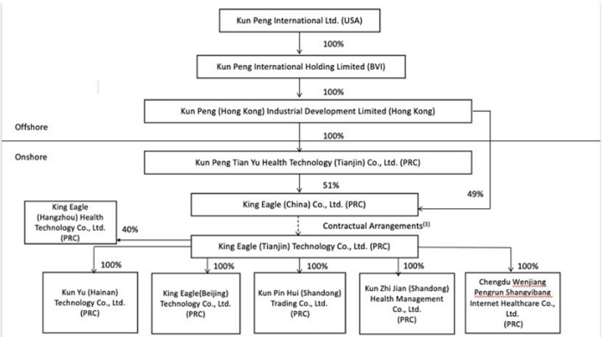
King Eagle (Hangzhou) Health Technology Co., Ltd

King Eagle (Hangzhou) was established on July 18, 2024 under the laws of the People's Republic of China with a registered capital of approximately $0.1 million (RMB 1 million). The entity is located in Zhejiang province, PRC. It was 95% owned by King Eagle VIE but is currently 40% owned by that entity as a result of the transfer by King Eagle VIE of 55% of its shares on January 17, 2025. King Eagle (Hangzhou) was a holding company and owned 40% of the outstanding shares of Shanxi Limei Aosikang Hospital Management Co., Ltd. However, on November 13, 2024, King Eagle (Hangzhou) entered into an agreement to transfer all of its shares of Shanxi Limei Aosikang Hospital Management Co., Ltd., for the aggregate amount of $27,818 (RMB 200,000) thereby recouping its investment.

Kun Yu (Hainan) Technology Co., Ltd.

Kun Yu (Hainan) was established on August 20, 2025 under the laws of the People's Republic of China with a registered capital of approximately $140,245 (RMB 1,000,000). The entity is located in Hainan province, PRC. It is a wholly-owned subsidiary of King Eagle VIE. Kun Yu (Hainan) has not commenced operations as of the date of this Annual Report.

The following diagram illustrates our corporate structure as of the date of this Annual Report:


Kun Peng International Ltd. (USA)
100%
Kun Peng International Holding Limited (BVI)
100%
Kun Peng (Hong Kong) Industrial Development Limited (Hong Kong)
Offshore
100%
Onshore
Kun Peng Tian Yu Health Technology (Tianjin) Co., Ltd. (PRC)
51%
49%
King Eagle (China) Co., Ltd. (PRC)
King Eagle (Hangzhou) Health Technology Co., Ltd. (PRC)
40%
Contractual Arrangements(1)
King Eagle (Tianjin) Technology Co., Ltd. (PRC)
100%
100%
100%
100%
100%
Kun Yu (Hainan) Technology Co., Ltd. (PRC)
King Eagle(Beijing) Technology Co., Ltd. (PRC)
Kun Pin Hui (Shandong) Trading Co., Ltd. (PRC)
Kun Zhi Jian (Shandong) Health Management Co., Ltd. (PRC)
Chengdu Wenjiang Pengrun Shangyibang Internet Healthcare Co., Ltd. (PRC)

(1) The contractual arrangements between King Eagle (China) and King Eagle VIE consist of:

(1) Consulting Service Agreement
(2) Business Operation Agreement
(3) Proxy Agreement
(4) Equity Disposal Agreement
(5) Equity Pledge Agreement

Contractual Arrangements

While we do not have any equity interest in our consolidated affiliated entities, King Eagle VIE and its subsidiaries, we have been and are expected to continue to be dependent on them to operate our business as long as there is limitation or prohibition in the interpretation and application by local governments of regulations concerning foreign investments in companies such as our consolidated affiliated entities. We rely on our consolidated affiliated entities to maintain or renew their respective qualifications, licenses, or permits necessary for our business in China. We believe that under the VIE Agreements, we have substantial control over our consolidated affiliated entities and their respective shareholders to renew, revise, or enter into new contractual arrangements prior to the expiration of the current arrangements on terms that would enable us to continue to operate our business in China after the expiration of the current arrangements, or pursuant to certain amendments and changes of the current applicable PRC laws, regulations, and rules, on terms that would enable us to continue to operate our business in China legally. While we currently do not anticipate any changes to PRC laws in the near future that may impact our ability to carry out our business in China, no assurances can be made in this regard. See "Risk Factors-Risks Related to Doing Business in China-Changes in China's economic, political, or social conditions or government policies could have a material adverse effect on our business and operations" and "Risk Factors-Risks Related to Doing Business in China-Uncertainties with respect to the PRC legal system could limit the legal protections available to you and us." Moreover, the binding rights over the VIE's subsidiaries in the contractual arrangements between King Eagle (China) and King Eagle (Tianjin) are implicit and indirect and the company laws and regulations in the PRC governing the business operations of the VIE's subsidiaries are uncertain. For a detailed description of the risks associated with our corporate structure and the contractual arrangements that support our corporate structure, see "Risk Factors-Risks Related to Our Commercial Relationship with our VIE."

The Company is the primary beneficiary of a variable interest entity ("VIE"), King Eagle (Tianjin) Technology Co., Ltd. Under U.S. GAAP, the Company is required to consolidate the assets and liabilities of the VIE on its consolidated financial statements. When we obtain a variable interest in another entity, we assess at the inception of the relationship and upon occurrence of certain significant events whether the entity is a VIE and, if so, whether we are the primary beneficiary of the VIE based on our power to direct the activities of the VIE that most significantly impact the VIE's economic performance and our obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

To determine whether a variable interest that we hold could potentially be significant to the VIE, we consider both qualitative and quantitative factors regarding the nature, size and form of our involvement with the VIE. To assess whether we have the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, we consider all the facts and circumstances, including our role in establishing the VIE and our ongoing rights and responsibilities. This assessment includes identifying the activities that most significantly impact the VIE's economic performance and identifying which party, if any, has power over those activities. In general, the parties that make the most significant decisions affecting the VIE (management and members of the board of directors) and that have the right to unilaterally remove those decision-makers are deemed to have the power to direct the activities of a VIE. To assess whether we have the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE, we consider all of our economic interests that are deemed to be variable interests in the VIE. This assessment requires us to apply judgment in determining whether these interests, in the aggregate, are considered potentially significant to the VIE.

There are uncertainties associated with the VIE structure as the PRC has not yet ruled on its legality nor has the validity of VIE arrangements been tested in a court of law. Some of these uncertainties are as follows:

(i) Our contractual arrangements may not be as effective in providing us with operational control, and shareholders of the VIE may fail to perform their obligations under the contractual arrangements.

(ii) We may incur substantial costs to enforce the terms of the arrangements with the VIE.

(iii) The legality and enforceability of the contractual arrangements by and between King Eagle (China) and the VIE have not been tested in a court of law in China.

(iv) The equity holders, directors and executive officers of the VIE, as well as our employees who execute other strategic initiatives, may have potential conflicts of interest with the Company.

(v) There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules regarding the status of the Company with respect to the contractual arrangements with the VIE.

(vi) It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted or, if adopted, what they would provide.

(vii) If we or our VIE is found to be in violation of any existing or future PRC laws or regulations, or fails to obtain or maintain any of the required licenses, permits, registrations, or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures.

(viii) If the PRC government finds that the agreements that establish the VIE structure for operating our business do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interest in those operations.

Entry into Material Agreements

On May 15, 2021, King Eagle (China) and the shareholders of King Eagle VIE entered into a series of contractual agreements for King Eagle VIE to qualify as a variable interest entity or VIE (the "VIE Agreements"). On June 10, 2025, King Eagle (China) Co., Ltd. ("King Eagle China"), King Eagle (Tianjin) Technology Co., Ltd. ("King Eagle Tianjin"), and the shareholders of King Eagle Tianjin (the "Original Shareholders") entered into an agreement (the "Termination Agreement") to terminate certain previous agreements consisting of a Business Operation Agreement, a Proxy Agreement, an Equity Disposal Agreement, and an Equity Pledge Agreement (the "Original VIE Agreements"). The Original VIE Agreements, along with an Exclusive Consultation and Service Agreement, which was amended on March 1, 2024, established King Eagle Tianjin as a variable interest entity and allowed King Eagle China to control and receive the economic benefits of King Eagle Tianjin's business operations. The Original VIE Agreements were terminated due to the transfers by one of the Original Shareholders of his equity interests in King Eagle Tianjin.

On June 10, 2025, King Eagle China, King Eagle Tianjin, and the shareholders of King Eagle Tianjin, including the transferees of the Original Shareholder who transferred his equity interests, entered into new VIE Agreements (the "New VIE Agreements") consisting of a Business Operation Agreement, an Agency Agreement, an Equity Disposal Agreement, and an Equity Pledge Agreement. The originally executed Exclusive Consultation and Service Agreement, as amended, remains in effect. The New VIE Agreements, along with the Exclusive Consultation and Service Agreement, continue King Eagle Tianjin's status as a variable interest entity and allow King Eagle China to control and receive the economic benefits of King Eagle Tianjin's business operations.

The foregoing descriptions of the Termination Agreement and the New VIE Agreements do not purport to be complete and are qualified in their entireties by reference to the full texts of those agreements, which were filed with the Securities and Exchange Commission on July 3, 2025 as Exhibits 99.1 through 99.5 to a Current Report on Form 8-K and which are incorporated herein by reference. The New VIE Agreements are summarized as follows:

Consulting Service Agreement

Pursuant to the terms of an Exclusive Consulting Service Agreement dated June 10, 2025, between King Eagle (China) and King Eagle VIE (the "Consulting Service Agreement"), King Eagle (China) is the exclusive consulting service provider to King Eagle VIE to provide business-related software research and development services; design, installation, and testing services; network equipment support, upgrade, maintenance, monitoring, and problem-solving services; employee technical training services; technology development and sublicensing services; public relations services; market investigation, research, and consultation services; short to medium term marketing plan-making services; compliance consultation services; marketing events and membership related activities organizing services; intellectual property permits; equipment and rental services; and business-related management consulting services. Pursuant to the Consulting Service Agreement, the service fee is an amount equal to the excess of King Eagle VIE's profit before tax in the corresponding year over King Eagle VIE's losses, if any, in the previous year, necessary costs, expenses, taxes, and fees incurred in the corresponding year, and contributions to the statutory provident fund. King Eagle VIE agreed not to transfer its rights and obligations under the Consulting Service Agreement to any third party without the prior written consent of King Eagle (China). King Eagle (China) may transfer its rights and obligations under the Consulting Service Agreement to King Eagle (China)'s affiliates without King Eagle VIE's consent, but King Eagle (China) must notify King Eagle VIE of such transfer. The Consulting Service Agreement is valid for a term of 10 years subject to any extension requested by King Eagle (China) unless terminated by King Eagle (China) unilaterally prior to expiration.

Business Operation Agreement

Pursuant to the terms of a Business Operation Agreement dated June 10, 2025 among King Eagle (China), King Eagle VIE and the shareholders of King Eagle VIE (the "Business Operation Agreement"), King Eagle VIE has agreed to subject the operations and management of its business to the control of King Eagle (China). According to the Business Operation Agreement, King Eagle VIE is not allowed to conduct any transaction that has a substantial impact upon its operations, assets, rights, obligations, or personnel without King Eagle (China)'s written approval. The shareholders of King Eagle VIE and King Eagle VIE will take King Eagle (China)'s advice on the appointment or dismissal of directors, employment of King Eagle VIE's employees, and the regular operation and financial management of King Eagle VIE. The shareholders of King Eagle VIE have agreed to transfer any dividends, distributions, or any other profits that they receive as the shareholders of King Eagle VIE to King Eagle (China) without consideration. The Business Operation Agreement is valid for a term of 10 years or longer upon the request of King Eagle (China) prior to the expiration thereof. The Business Operation Agreement may be terminated earlier by King Eagle (China) with a 30-day written notice.

Proxy Agreement

Pursuant to the terms of a Proxy Agreement dated June 10, 2025 among King Eagle (China) and the shareholders of King Eagle VIE (the "Proxy Agreement"), the shareholders of King Eagle VIE have entrusted their voting rights as King Eagle VIE's shareholders to King Eagle (China) for the longest duration permitted by PRC law. The Proxy Agreement can be terminated by mutual consent of the King Eagle VIE shareholders (100% of whom must approve) and King Eagle (China) or upon a 30-day notice of King Eagle (China).

Equity Disposal Agreement

Pursuant to the terms of an Equity Disposal Agreement dated June 10, 2025 among King Eagle (China), King Eagle VIE, and the shareholders of King Eagle VIE (the "Equity Disposal Agreement"), the shareholders of King Eagle VIE granted King Eagle (China) or its designees an irrevocable and exclusive purchase option (the "Option") to purchase all or part of King Eagle VIE's and its subsidiaries' equity interests and/or assets at the lowest purchase price permitted by PRC laws and regulations. The Option is exercisable at any time at King Eagle (China)'s discretion in full or in part, to the extent permitted by PRC law. The shareholders of King Eagle VIE agreed to give King Eagle (China) the total amount of the exercise price as a gift, or other method, upon King Eagle (China)'s written consent to transfer the exercise price to King Eagle VIE. The Equity Disposal Agreement is valid for a term of 10 years or longer upon the request of King Eagle (China).

Equity Pledge Agreement

Pursuant to the terms of an Equity Pledge Agreement dated June 10, 2025 among King Eagle (China) and the shareholders of King Eagle VIE (the "Pledge Agreement"), the shareholders of King Eagle VIE pledged all of their equity interests in King Eagle VIE, including the proceeds thereof, to King Eagle (China) to guarantee King Eagle VIE's performance of its obligations under the Business Operation Agreement, the Consulting Service Agreement and the Equity Disposal Agreement (each, an "Agreement," and collectively, the "Agreements"). If King Eagle VIE or its shareholders breach their respective contractual obligations under any Agreement or cause to occur one of the events constituting an event of default under any Agreement, King Eagle (China), as pledgee, will be entitled to certain rights, including the right to dispose of the pledged equity interest in King Eagle VIE. During the term of the Pledge Agreement, the pledged equity interests cannot be transferred without King Eagle (China)'s prior written consent. The Pledge Agreement is valid until all the obligations due under the Agreements have been fulfilled.

Cash Flows

Our Company is a holding company, and we will rely on dividends and other distributions on equity paid by our Hong Kong and China subsidiaries for our cash and financing requirements. Any funds we may transfer to King Eagle (China), either as a loan or as an increase in registered capital, are subject to approval by or registration with relevant government authorities in China, regardless of the amount of the transfer. According to the relevant PRC regulations, capital contributions to our PRC subsidiary are subject to the submission of reports of changes through the enterprise registration system and registration with a local bank authorized by SAFE. In addition, any foreign loan procured by our PRC subsidiary is required to be registered with SAFE, and such loan is required to be registered with the NDRC. We may not be able to complete such registrations or obtain necessary approvals on a timely basis with respect to future capital contributions or foreign loans by us to our PRC subsidiaries. If we fail to complete such registration or other procedures, our ability to maintain our corporate structure while capitalizing our PRC subsidiaries' operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

To date, substantially all of our sales have been earned by our PRC subsidiary, King Eagle (China), and King Eagle VIE. Neither we nor King Eagle (China) own any equity interest in King Eagle VIE. In accordance with the terms of the Consulting Service Agreement, King Eagle (China) is entitled to receive payments from King Eagle VIE in the form of a service fee which, in turn, may be distributed to us as dividends. As a holding company, we will rely on dividends and other distributions on equity paid by our BVI, Hong Kong, and PRC subsidiaries for our cash and financing requirements. Our Hong Kong and PRC subsidiaries are permitted under the respective laws of Hong Kong and China and to provide funding to us through dividends without restrictions on the amount of the funds, other than as limited by the amount of their distributable earnings. However, to the extent that cash is in our Hong Kong or PRC subsidiaries, there is a possibility that the funds may not be available to fund our operations or for other uses outside of Hong Kong or the PRC or due to interventions or the imposition of restrictions and limitations by the PRC or the Hong Kong government on the ability to transfer cash**.** In addition, if any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends to us.

After investors' funds enter the Company, the funds can be directly transferred to KP International in accordance with the laws of the State of Nevada, which will then directly transfer the funds to KP (Hong Kong). KP Hong Kong can then transfer the funds to KP Tian Yu, which can then transfer the funds to King Eagle (China). King Eagle (China) can subsequently transfer funds to King Eagle VIE in accordance with the VIE Agreements.

If the Company intends to distribute dividends, King Eagle (China) will transfer funds received as dividends from King Eagle VIE to KP Tian Yu in accordance with the laws and regulations of China. KP Tian Yu will then transfer the funds to KP Hong Kong in accordance with the laws of China, KP Hong Kong will transfer the funds to KP International in accordance with the laws of Hong Kong, and KP International will then transfer the funds to the Company in accordance with the laws of the BVI. The Company will then distribute the dividends to all of its shareholders respectively in proportion to the shares they hold in accordance with the laws and regulations of the State of Nevada, regardless of whether the shareholders are U.S. investors or investors in other countries or regions.

Under the Companies Ordinance of Hong Kong, dividends may only be paid out of distributable profits (that is, accumulated realized profits less accumulated realized losses) or other distributable reserves. Dividends cannot be paid out of share capital. There are no restrictions or limitation under the laws of Hong Kong imposed on the conversion of HK dollars into foreign currencies and the remittance of currencies out of Hong Kong, nor is there any restriction on foreign exchange to transfer cash between our Company and its subsidiaries, across borders and to U.S investors, nor on distributing earnings from our Hong Kong subsidiaries' businesses to our Company and U.S. investors and amounts owed. Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends.

Under PRC laws, rules, and regulations, our PRC subsidiaries are allowed to pay dividends only out of their accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations, and only after setting aside at least 10% of their after-tax profits each year after making up for previous years' accumulated losses, if any, to fund certain statutory reserves, until the aggregate amount of such fund reaches 50% of their registered capital. Allocations to these statutory reserve funds can only be used for specific purposes and are not transferable to us in the form of loans, advances, or cash dividends. However, there can be no assurance that the PRC government will not intervene or impose restrictions on their ability to transfer or distribute cash within our organization or to foreign investors, which could result in an inability or prohibition on making transfers or distributions outside of China and may adversely affect our business, financial condition, and results of operations.

As of the date of this Annual Report, our subsidiaries have not experienced any difficulties or limitations on their ability to transfer cash between each other; nor do they maintain cash management policies or procedures dictating the amount of such funding or how funds are transferred. None of our subsidiaries have paid any dividends, other distributions or transferred assets to our holding company as of the date of this Annual Report. In the future, cash proceeds raised from overseas financing activities may be transferred by us to our Hong Kong or PRC subsidiaries via capital contribution or shareholder loans, as the case may be. As of the date of this Annual Report, we have not made any transfers, paid any dividends, or made any distributions to U.S. investors.

Neither the Company nor any of its Hong Kong subsidiaries or its PRC subsidiary has paid dividends or made distributions to U.S. investors. No funds have been transferred by the holding companies to the Hong Kong subsidiaries, the PRC subsidiary, or the VIE for the fiscal years ended September 30, 2025 or 2024 and through the date of this Annual Report, to fund their business operations. In the future, any cash proceeds raised from overseas financing activities may be transferred by us to our Hong Kong or PRC subsidiaries via capital contribution or shareholder loans, and to King Eagle VIE and its subsidiaries as loans.

See "Condensed Consolidating Schedule," below and "Item 8. Financial Statements and Supplementary Data" on page 79.

Condensed Consolidating Schedule

Set forth below is the condensed consolidated balance sheet information as of September 30, 2025 and 2024, and condensed consolidated statements of operations and cash flows for the fiscal years ended September 30, 2025 and 2024, showing financial information for the parent company, Kun Peng International Limited, the non-VIE subsidiaries (as defined below) and the VIE (as defined below), eliminating entries and consolidated information (in dollars). In the tables below, the column headings correspond to the following entities in the organizational diagram on page 10.

For the purposes of this section:

"Parent Entity" refers to Kun Peng International Limited;

"Non-VIE and WFOE Subsidiaries" refers to the following entities:

- Kun Peng International Holding Limited ("KP International Holding")
- Kun Peng (Hong Kong) Industrial Development Limited ("KP (Hong Kong)")
- Kun Peng Tian Yu Health Technology Co., Ltd. ("KP Tian Yu").
- King Eagle (China) Co., Ltd. ("King Eagle (China)")

"VIE" refers to King Eagle (Tianjin) Technology Co., Ltd. ("King Eagle (Tianjin)") and its subsidiaries.

"WFOE" refers to King Eagle (China) until March 3, 2023 and KP Tian Yu since March 3, 2023.

Condensed Consolidated Balance Sheets

As of September 30, 2025

	Parent Only	Non-VIE and Non-WFOE Subsidiaries Consolidated	WFOE	VIE and VIE's Subsidiaries Consolidated	Elimination Entries and Reclassification Entries	Consolidated
Cash and cash equivalent	$ -	$ 805	$ 88	$ 25,391	$ -	$ 26,284
Intercompany receivables-current	245,821	625,960(2)	-	2,732,021	(3,603,802)	-
Total current assets	245,821	633,797	552	3,223,079	(3,603,802)	499,447
Intercompany receivables-noncurrent	-	4	-	-	(4)	-
Total non-current assets	34,160	2,259	-	339,107	(34,164)	341,362
Total assets	279,981	636,056	552	3,562,186	(3,637,966)	840,809
Intercompany payables	1,223,019	2,012,945(3)	1,236	154,451	(3,391,651)	-
Total current liabilities	1,298,719	2,060,771	1,510	9,025,295	(3,391,651)	8,994,644

Total non-current liabilities	-	-	-	34,006	-	34,006
Total liabilities	1,298,719	2,060,771	1,510	9,059,301	(3,391,651)	9,028,650
Total shareholders' equity	(1,018,738)	(1,424,715)	(958)	(5,497,115)	(246,315)	(8,187,841)
Non-controlling interests	-	-	-	-	-	-
Total equity	(1,018,738)	(1,424,715)	(958)	(5,497,115)	(246,315)	(8,187,841)
Total liabilities and equity	$ 279,981	$ 636,056	$ 552	$ 3,562,186	$ (3,637,966)	$ 840,809

(1) Intercompany receivables from non-VIE entities, WFOE, and parent entity and intercompany payables to VIE represent loans to non-VIE entities, WFOE, and parent entity for working capital purposes.

(2) Intercompany receivables from the parent entity represent loans from King Eagle (China) to the parent entity for working capital purposes.

(3) Intercompany payables to King Eagle (China) and VIE represent loans from VIE to the parent entity for working capital purposes.

As of September 30, 2024

	Parent Only	Non-VIE and Non-WFOE Subsidiaries Consolidated	WFOE	VIE and VIE's Subsidiaries Consolidated	Elimination Entries and Reclassification Entries	Consolidated
Cash and cash equivalent	$ -	$ 981	$ 71	$ 81,132	$ -	$ 82,184
Intercompany receivables-current	-	531,169(2)	-	2,316,724(1)	(2,847,893)	-
Total current assets	-	564,532	71	2,831,808	(2,847,893)	548,518
Intercompany receivables-noncurrent	-	4	-	-	(4)	-
Total non-current assets	34,160	145,641	-	785,031	(34,164)	930,668
Total assets	34,160	710,173	71	3,616,839	(2,882,057)	1,479,186
Intercompany payables	970,159	1,846,491(3)	969(3)	51,757	(2,869,376)	-
Total current liabilities	994,159	2,071,841	1,033	8,344,402	(2,865,015)	8,546,420
Total non-current liabilities	-	-	-	121,484	-	121,484
Total liabilities	994,159	2,071,841	1,033	8,465,886	(2,865,015)	8,667,904
Total shareholders' equity	(959,999)	(1,239,530)	(962)	(4,967,444)	(16,941)	(7,184,876)
Non-controlling interests	-	(122,138)	-	118,397	(101)	(3,824)
Total equity	(959,999)	(1,361,668)	(962)	(4,849,047)	(17,042)	(7,188,718)
Total liabilities and equity	$ 34,160	$ 710,173	$ 71	$ 3,616,839	$ (2,882,057)	$ 1,479,186

(1) Intercompany receivables from non-VIE entities, WFOE, and parent entity and intercompany payables to VIE represent loans to non-VIE entities, WFOE, and parent entity for working capital purposes.

(2) Intercompany receivables from the parent entity represent loans from King Eagle (China) to the parent entity for working capital purposes.

(3) Intercompany payables to King Eagle (China) and VIE represent loans from VIE to the parent entity for working capital purposes.

Condensed Consolidated Statements of Operations Data

For the fiscal year ended September 30, 2025

	Parent Only	Non-VIE and Non-WFOE Subsidiaries Consolidated	WFOE	VIE and VIE's Subsidiaries Consolidated	Eliminating Adjustments	Consolidated Totals
Revenue	$ -	$ -	$ -	$ 1,438,127	$ -	$ 1,438,127
Intercompany revenue	-	366,241	-	-	(366,241)	-
Cost of revenue and related tax	-	628	-	479,204	-	479,832
Gross profit	-	365,613	-	958,923	(366,241)	958,295
Total operating expenses	304,560	415,370	9	2,384,307	(366,241)	2,738,005
Intercompany operating expenses	-	-	-	366,241	(366,241)	-
(Loss) income from operations	(304,560)	(49,757)	(9)	(1,425,384)	-	(1,779,710)
Other (expenses) income	-	(32,889)	-	541,652	2,034	510,797
(Loss) income before income taxes	(304,560)	(82,646)	(9)	(883,732)	2,034	(1,268,913)
Income tax expense	-	-	-	-	-	-
Net (loss) income	$ (304,560)	$ (82,646)	$ (9)	$ (883,732)	$ 2,034	$ (1,268,913)

For the fiscal year ended September 30, 2024

		Non-VIE and Non-WFOE		VIE and VIE's		

	Parent Only	Subsidiaries Consolidated	WFOE	Subsidiaries Consolidated	Eliminating Adjustments	Consolidated Totals
Revenue	$ -	$ -	$ -	$ 2,078,741	$ -	$ 2,078,741
Intercompany revenue	-	700,576	-	-	(700,576)	-
Cost of revenue and related tax	-	21,378	-	584,260	-	605,638
Gross profit	-	679,198	-	1,494,481	(700,576)	1,473,103
Total operating expenses	203,479	760,968	319	3,201,495	(692,360)	3,473,901
Intercompany operating expenses	-	-	-	630,162	(630,162)	-
(Loss) income from operations	(203,479)	(81,770)	(319)	(1,707,014)	(8,216)	(2,000,798)
Other (expenses) income	-	38	-	11,500	-	11,538
(Loss) income before income taxes	(203,479)	(81,732)	(319)	(1,695,514)	(8,216)	(1,989,260)
Income tax expense	-	-	-	(2,487)	-	(2,487)
Net (loss) income	$ (203,479)	$ (81,732)	$ (319)	$ (1,698,001)	$ (8,216)	$ (1,991,747)

Condensed Consolidated Schedule of Cash Flows

For the fiscal year ended September 30, 2025

	Parent Only	Non-VIE and Non-WFOE Subsidiaries Consolidated	WFOE	VIE and VIE's Subsidiaries Consolidated	Eliminating Adjustments	Consolidated
Net (loss) income	$ (304,560)	$ (82,646)	$ (9)	$ (883,732)	$ 2,034	$ (1,268,913)
Intercompany receivables	(175,586)	(101,029)	-	40,311	236,304	-
Intercompany payables	252,860	193,571	277	(138,966)	(307,742)	-
Net cash provided by (used in) operating activities	-	1,026	18	35,790	(244,990)	(208,156)
Net cash used in investing activities	-	-	-	13,679	-	13,679
Net cash provided by (used in) financing activities	173,310	-	-	(100,843)	-	72,467
Effect of exchange rate fluctuation on cash	$ 2,276	$ (1,202)	$ (1)	$ (4,367)	$ 69,404	$ 66,110

For the fiscal year ended September 30, 2024

	Parent Only	Non-VIE and Non-WFOE Subsidiaries Consolidated	WFOE	VIE and VIE's Subsidiaries Consolidated	Eliminating Adjustments	Consolidated
Net (loss) income	$ (203,479)	$ (81,732)	$ (319)	$ (1,698,001)	$ (8,216)	$ (1,991,747)
Intercompany receivables	-	(16,942)	-	(943,773)	960,715	-
Intercompany payables	245,479	(148,973)	319	851,289	(948,114)	-
Net cash provided by (used in) operating activities	-	(10,029)	62	23,462	4,385	17,880
Net cash used in investing activities	-	-	-	(554,861)	205,863	(348,998)
Net cash provided by (used in) financing activities	-	-	-	149,974	(204,743)	(54,769)
Effect of exchange rate fluctuation on cash	$ -	$ 553	$ 3	$ 15,440	$ (5,505)	$ 10,491

Our Business

Overview of Health Food Market in China

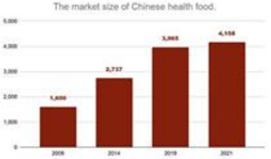
The Hong Kong Trade Development Council ("HKTDC") published an article on China's Health Food Market in September 2022, which stated that changes in age demographics, domestic child policy, and lifestyle has driven the growth of the health food market in the People's Republic of China.

HKTDC determined that the average age of the population of China is increasing. It cited statistics from the PRC government that the number of people aged 65 or above in mainland China reached 200 million in 2021, or 14.2% of its total population. This age group is expected to increase to 25% of China's total population by 2030. According to the National Health Commission of the People's Republic of China, the average life expectancy in China as of the end of 2024 was 79. HKTDC quoted a study from iiMedia Research which found that the main reason seniors purchase health food is to follow their doctor's advice or to get sufficient essential nutrients to improve their overall health. The study shows that a majority of seniors concentrated on boosting their immunity through health food. Moreover, HKTDC quoted another source that found that nearly 50% of the middle-aged and senior populations in China are willing to spend 40% of their budgets on personal health.

The Center for Strategic and International Studies has pointed out that mainland China replaced its legacy one-child policy with a two-child policy in 2016 and then passed a three-child policy into law in July 2021. HKTDC speculates that the universal implementation of the three-child policy can be expected to increase demand in the maternal and baby health food markets. According to HKTDC, statistics show that 94.7% of pregnant women consume health food products, particularly folic acid, milk power and multi-vitamin tablets, during pregnancy. Further, HKTDC cited a study from iiMedia Research that the maternal and baby health food markets increased by 8.2% between 2020 and 2021 to over RMB70.41 billion (US$9.89 billion) in 2021 and represented 26% of the total market share of health food in mainland China.

According to the above-mentioned article published by Hong Kong Trade Development Council in September 2022, the government of the People's Republic of China has progressively encouraged its civilians to lead healthy lifestyles and minimize diseases so as to lengthen life expectancy for its people and it introduced the "Healthy China Initiative 2019-2030" in 2019. Intelligence Research Group indicated that sales of health food in mainland China rose by 8.2% in 2021, and that the health food market in mainland China represented 17.8% of global sales in that year and was the second largest health food market in the world. It indicates that sales of health food in mainland China rose by 3.0% in 2022 to RMB394.7 billion. iiMedia Research projects that sales will reach RMB423.7 billion by 2027. (Source: https://research.hktdc.com/en/article/MzA4NzQ3NzUw)

Since the global health issue and the COVID-19 pandemic, people have increased their health and nutrition consciousness. King Eagle (China) believes preventive care is the most effective investment in health. Based on the statistics compiled by Euromonitor, the market size of health care products in China was as follows:



Data : EUROMONITOR, Research for Industrial Economics and Trade (前瞻产业研究)
(unit: yuan)

Monteloeder S.L. analyzed that the demand for healthy food in the PRC has increased since the outbreak of COVID-19. It cited data announced by Suning that shows that 2020 Lunar New Year sales volume of health foods increased by 128% compared to 2019.

E-commerce has developed rapidly in the PRC. Management of the Company believes that we are in a new era of e-commerce and that additional characteristics of sharing economy, offline support and social interaction are evolving. We believe the rise of social e-commerce will positively impact the development of our health care business. GMA has stated "Chinese customers are highly active on social media platforms such as Weibo, Douyin, and WeChat. Creating accounts for [your] own brand and teaming up with influencers can be incredibly helpful in terms of increasing brand awareness among the target audience of health food. Additionally, it also allows companies to interact with their potential customers, build relationships and promote their products. Chinese consumers value personal relationships and often prioritize buying from people or companies that they know and bond with."

To promote awareness of preventive care among the vast population of the PRC, we serve our customers through our mobile (King Eagle Mall) platform and through our online platform, Kun Zhi Jian and Kun Zhi Jian Mini Program.

King Eagle Mall

We developed and launched a mobile social e-commerce platform, King Eagle Mall, which promotes preventive health care products and services as our core business. It adopts the S (supplier) and B (platform) working together to provide C (customer) ("S2B2C") business model and integrates many major health care products and services. As of September 30, 2025, King Eagle Mall had approximately 15,858 members.

Home page of
the mall

Proprietary
products

Strictly selected
products

Poverty alleviation
specialty

The three cores and five features that we are developing through the King Eagle Mall are:

Core 1: Integration of resources in the health care industry

Feature 1	Closed-loop supply chain	Compared with the traditional B2B and B2C marketing models, our mobile application, King Eagle Mall, has a more efficient marketing layout that does not require stocking of inventory and capital investment. All the goods being offered are supported by upstream suppliers. Customers can buy goods more flexibly, and the distribution of goods is accomplished by way of direct supply by manufacturers, which meets the needs of customers and promotes an increase in product sales. This completely closed-loop supply chain is more conducive to the rapid development of King Eagle (China) and enhanced resource utilization.
Feature 2	S2B2C model perfectly provides three-terminal users with the most intuitive service and use value.	S2B2C is an innovative e-commerce model that can drive much greater value innovation than traditional models. This kind of innovation is reflected in S (supplier) and B (platform) working together to provide C (customer) with more thorough services. In other words, S empowers B and supports B to conduct product and service transactions with C, while B and C pass on their needs to S, so that S can better serve B and C, satisfying a wider group and achieving a larger demand channel.

Core 2: Personal health management

Feature 3	Connecting to health and wellness experience, improving service height.	Ecological + elderly care + healthy lifestyle experience is an indispensable part of the health industry, and it is also a supply and demand gap that will inevitably appear in industrial development and economic development. For middle and high net worth groups, we provide different types of health and elderly lifestyle experience environments.

Core 3: Wealth value

Feature 4	Sharing Wealth	Health itself is wealth. King Eagle Mall is not just a comprehensive consumer docking platform, it is also a new channel to provide wealth for upstream supply chain enterprises and terminal members. Through the integrated platform, King Eagle (China) shares healthy lifestyle information with its members and meets different health needs of different members.
Feature 5	Quality of Life	To strengthen the concept of healthiness, King Eagle Mall will go deep into every corner of life in the future, providing members with more healthy choices in five areas: clothing, food, home living, daily necessities, and transportation, and guiding our members to lead a healthier and better quality life.

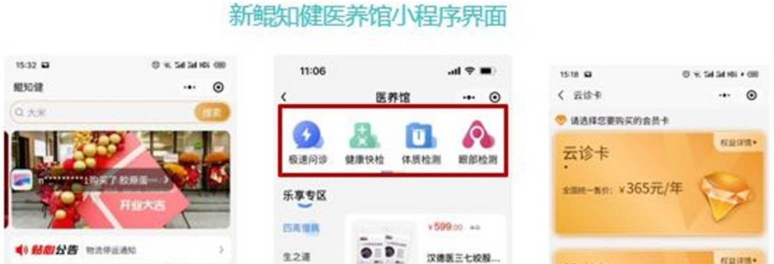
The products focus on health-related products and services. King Eagle Mall is designed to enable health-related products to be sold by us and by third parties. King Eagle Mall's products are divided into two sectors: self-operated products and strictly selected products which promote preventive health care. Our team screens and examines products that are and will be offered both by us and by affiliated merchants. Our major products include health care products such as dietary supplements, nutritional health foods, beauty cosmeceuticals, health foods for supporting the cardiovascular system and bone joint health, and other categories (for instance, powdered milk, dried fruits). We offer collagen peptides, probiotics, and health foods for improving blood circulation and vein health, as well as household products which can promote and improve a healthier lifestyle of our members. We receive customer orders and may arrange fulfillment with our merchants who are responsible for delivery arrangement or fulfill customer orders through our outsourced networks.

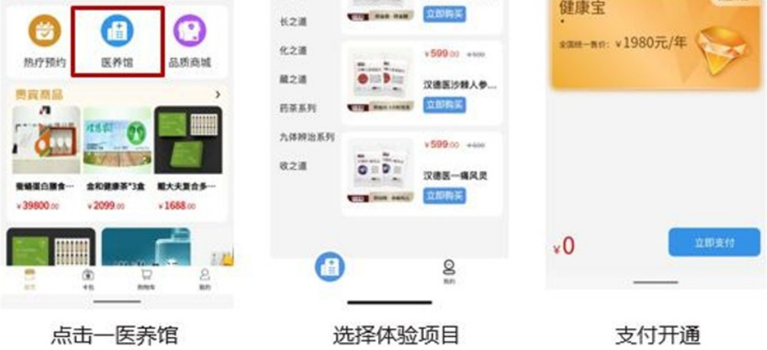
In addition, we operate customer service centers through which our members can communicate directly for any assistance related to product purchases, suggestions for health care products and services, and delivery logistics.

Kun Zhi Jian Online Platform

In October 2022, King Eagle (Tianjin) introduced and implemented an online platform, Kun Zhi Jian, which focuses on promoting and selling physiotherapy equipment and our own brand of preventive health care and health related household products to wholesalers and retailers. In the platform's initial phase, we sold thermal therapy cabins to wholesalers. Equipped with infrared light and at a high temperature, approximately like that of a hot spring, this product helps enhance blood circulation and oxygen inhalation and improves insomnia. Currently, we promote and sell other physiotherapy equipment, our own brand, and other popular brands of health care related products on this new platform. As of September 30, 2025, Kun Zhi Jian had approximately 8,745 members. This online platform is operated at: http://api.kp-tj.com/roomapp/#/home.

Kun Zhi Jian Mini Program. In November 2023, we launched Kun Zhi Jian's Mini Program, which is composed of three areas: physiotherapy equipment, a customer service center, and an online shopping mall (Kun Zhi Jian). The customer service center provides healthy diet and nutritional suggestions to our customers based on their health profile and a tongue examination that utilizes health care expertise and technology from local health care service providers performed at our customer service center. The shopping mall offers a variety of products ranging from health foods to small kitchen appliances.





Online interface program of Kun Zhi Jian Mini Program

鲲 知 健
智慧医养体验中心

Kun Zhi Jian Customer Service Center

Smart Kiosks

On March 31, 2021, King Eagle VIE entered into an oral agreement with Guoxin Star Network Co., Ltd. (“Guoxin”) under which King Eagle VIE was granted the right to operate 50 Smart Kiosks for five years. Due to the COVID-19 pandemic, our application for construction permits for the Smart Kiosks was delayed by the local government agencies for more than two years. In the last quarter of fiscal year 2023, Guoxin determined that it was unable to obtain the permit and both parties agreed to abandon this construction project.

Strategic Relationships to Provide Comprehensive Health Services

Preventive health care focuses upon the relationship between genetics, environment, physiology, psychology, and lifestyle to assist in addressing health and disease. Physical examinations assist in providing personalized solutions to eliminate the cause of disease and to treat and regulate functional changes, so as to help patients overcome disease and lead healthier lives. Leveraged with health care expertise and technology from local health service providers, we explored potential strategic relations with health service providers to offer our members and customers integrated health conditioning, tracking management, high-level, personalized, and convenient health care, testing, consulting, and nutritional advisory services, based on customer profile data in the King Eagle Mall and the Kun Zhi Jian Mini Program.

Sales and Marketing

We will and do engage in a variety of marketing activities intended to drive user traffic to our mobile application and our online platform and to give us the opportunity to introduce our products and services to prospective members. For our online mobile application, King Eagle Mall, we (i) pay various mobile app channels to broadcast our apps to raise awareness of our products and increase their ranking to attract new users; (ii) engage in self-promoting on social media; (iii) advertise our products via our cooperative public platforms; (iv) organize off-line experience events and activities; (v) enter into business alliances with various well-known regional and global health care product business partners and prestigious health organizations; (vi) intend to provide health education on our official website: www.kp-china.com; and (vii) engage agents to promote our products. Our marketing strategy focuses on seeking well known network and platform providers to broadcast our products and services, improving the products and services to raise our ranking in app stores, and display advertising to increase our exposure so as to attract new users.

We launched an additional online platform, Kun Zhi Jian, in October 2022, and in November 2023 we launched Kun Zhi Jian Mini Program, which is composed of three areas: a thermal therapy product, a customer service center, and an online shopping mall (Kun Zhi Jian). We market and promote our Kun Zhi Jian Mini Program through various types of outreach activities either by our marketing team or by service agents.

Our Customers

Our customers primarily consist of individual members. As of September 30, 2025 and 2024, King Eagle Mall had approximately 15,858 and 15,855 members, respectively.

Customer Service

Our call center and email support teams monitor our mobile applications as well as mobile applications developed by other companies for fraudulent activity, assist members with billing questions, help members complete personal profiles, and answer technical questions. Customer service representatives receive ongoing training in an effort to better personalize the experience for members and paying subscribers who call or email us and to capitalize on upselling opportunities.

Technology

Our internal product teams are focused on the development and maintenance of our online platforms in addition to building and managing our software and hardware infrastructure. We intend to continue investing in the development of new products, such as mobile applications, and enhancing the efficiency and functionality of our existing products and infrastructure.

Our network infrastructure and operations are designed to deliver high levels of availability, performance, security, and scalability in a cost-effective manner. We operate web and database servers co-located at a third-party data center facility in Beijing, PRC.

Our Competition

We operate in a highly competitive environment with minimal barriers to entry. We believe the primary competitive factors in creating a community on the Internet are functionality, brand recognition, reputation, critical mass of members, member affinity and loyalty, ease-of-use, quality of service, and reliability. We compete with a number of large and small companies, including vertically integrated Internet portals and specialty-focused media companies that provide online and offline products and services to the online market we serve.

Our competitors mainly come from social e-commerce platforms, including Pinduoduo (based on the group buying model), Weimeng (providing services for micro-businesses), Taobao, JD, and others.

We believe our ability to compete depends upon many factors both within and beyond our control, including the following:

- the size and diversity of our member and paying subscriber bases;
- the timing and market acceptance of our apps, including developments and enhancements to those apps, and features relative to those offered by our competitors;
- customer service and support efforts;
- selling and marketing efforts; and
- our brand strength in the marketplace relative to our competitors.

Competitive advantages

Experienced management

King Eagle (China) acquired talented personnel for developing its online and offline platforms, creating business models, marketing, and management primarily from multi-national corporations, public companies, and prestigious universities.

Diversity of product offerings

With the development of our online platform, Kun Zhi Jian, and its Mini Program, we now offer a diverse array of products, including physiotherapy equipment, diet and nutritional advice, and health care related products. In addition, we target both wholesale and retail customers.

Value-added health care screening and monitoring services

Through the launch of the Kun Zhi Jian Mini Program, we coordinated with local health care service providers and leveraged their health care expertise and technology. Those local health care service providers offer health care screening and monitoring to our customers and members at our Kun Zhi Jian Customer Service Centers. By providing these value-added services to our customers and members, our customers and members can get a better understanding of their health. We are able to provide more concrete nutritional advice and refer them to our health care related products.

Our Intellectual Property

We rely on a combination of intellectual property rights, including trade secrets, copyrights, trademarks, and domain names, as well as contractual restrictions to protect intellectual property and proprietary technology owned or used by us.

All of our employees have entered into standard employment agreements requiring them to keep confidential all information relating to our customers, methods, business, and trade secrets during their terms of employment with us and thereafter and to assign to us any inventions, technologies, and designs they develop during their term of employment with us.

Copyrights

We own the copyright for our online platform "King Eagle Mall." Such copyright will expire in July 2031. The software platform was placed in service in September 2020 and offers a variety of preventive health care products and services to our members. The platform provides an upstream supply chain of preventive health care products and downstream health care analysis and advice to our members.

Trademarks

We also developed our business trademarks. In order to protect our intellectual property rights, we have registered our trademarks in the PRC, including without limitation the following:

Country/Area	Trademark	Trademark Number	Classes
PRC	金嗨购	50368216	9
PRC	金嗨购	50374979	16
PRC	金嗨购	50375007	37
PRC	金嗨购	50377397	39
PRC	金嗨购	50382061	41
PRC	金嗨购	50382076	42
PRC	金嗨购	50392663	43
PRC	金嗨购	50375312	45
PRC	金嗨购	50374965	9
PRC	金嗨购	50371272	16
PRC	金嗨购	50373087	37
PRC	金嗨购	50387468	39
PRC	金嗨购	50369532	41
PRC	金嗨购	50380120	42
PRC	金嗨购	50392663	43
PRC	金嗨购	50387165	45
PRC	金嗨购	50366519	43
PRC	銀澎	55127695	1
PRC	銀澎	55146919	3
PRC	銀澎	55139610	9
PRC	銀澎	55134787	10
PRC	銀澎	55132744	35
PRC	銀澎	55140311	41
PRC	銀澎	55141993	43
PRC	銀澎	55132362	5
PRC	銀澎	55155215	30

PRC	鲲澎	55140329	42
PRC	鲲之味	57843237	21
PRC	鲲之味	63933981	29
PRC	鲲之味	63920505	31
PRC	鲲之味	63919828	33
PRC	鲲之味	63906792	35
PRC	鲲之味	63919846	40
PRC	鲲品汇	63930097	5
PRC	鲲品汇	63933981	29
PRC	鲲品汇	63921829	30
PRC	鲲品汇	63920505	31
PRC	鲲品汇	63922453	32
PRC	鲲品汇	63919828	33
PRC	鲲品汇	63906792	35
PRC	鲲品汇	63919846	40
PRC	鲲之健	66800246	5
PRC	鲲之舱	67366839	10
PRC	鲲之舱	67355365	29
PRC	鲲之舱	67359940	30
PRC	鲲之舱	67374685	31
PRC	鲲之舱	67363338	43
PRC	鲲之舱	67375399	44
PRC	诺亚之舱	67241922	10
PRC	诺亚之舱	67357207	29
PRC	诺亚之舱	67253976	30
PRC	诺亚之舱	67366831	31
PRC	诺亚之舱	67251066	43
PRC	鲲知健医养馆	74353502	10
PRC	鲲知健医养馆	74372921	44

We regard our copyrights and our trademarks important to our success and our competitive position.

We purchase the consumer preventive health food and health related household products sold on our platforms from our suppliers; we did not develop, design, or manufacture those products. Moreover, although we have built our online platform and mobile commerce in-house, the compensation costs for our in-house technology team were not significant. Accordingly, instead of presenting the compensation costs of our in-house technology team as research and development expenses, we included these amounts in employee compensation and benefit expenses within general and administrative expenses for the fiscal years ended September 30, 2025, 2024 and 2023.

Environmental, Social, and Governance Standards

The concept of environmental, social, and corporate governance standards or metrics (“ESG”) is an emerging global trend. Management believes the PRC is at the forefront of this global trend, as evidenced by the PRC’s desire to reach peak carbon by 2030 and become carbon neutral by 2060. These goals require companies to start transitioning to a lower-carbon business model. Moreover, corporate reporting on a complete set of ESG metrics will assist regulators to timely adjust their policies and will enable investors and customers to make informed decisions. Our management is actively addressing environmental and social responsibility as part of its strategy and goals for the Company. The steps taken include identifying and setting goals in line with the Company’s environmental and social responsibility goals.

ESG represents the three main criteria for investors and customers to evaluate a company's level of sustainability. Specifically, environmental criteria take into account a company's performance in protecting the environment; social criteria examine how it manages relationships with employees, suppliers, customers, and communities; and governance criteria deal with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

Our ESG mission includes working to advance the needs of a broad group of stakeholders, namely our employees and the community in which we live and operate while staying conscious of the environmental impact of our growing operations. Our management is actively addressing environmental and social responsibility as part of its strategy and goals for the Company.

Environment. As part of our Company's environmental strategy, we work to mitigate our carbon footprint by carefully considering how we consume resources and integrating the best environmentally-focused technology into our business. Our Company has been implementing the concept of environmental protection by utilizing capital resources for enhancing product quality, reviewing the practices of manufacturers, including the sourcing and sustainability of packaging materials, such as single-use plastics, identifying a growing demand for natural or organic products and ingredients, understanding evolving consumer concerns regarding the effects of ingredients or substances present in products, attempting to change consumer sentiment toward non-local products or sources, and attempting to increase awareness of environmental impacts (including packaging, energy and water use, and waste management). Our Company has started utilizing a sustainable environmental protection packaging, the newly designed selene-rich egg packaging, which reduces environmental pollution.

Social. The value of a company is not only reflected in the profits and value it creates, but also in its contribution to society. We are striving as a business to give back to society in five areas: health, quality of life, environment, and public welfare. We are actively addressing social concerns, such as participating in rural revitalization tourism, supporting the development of our employees, promoting the standardized operation of the industry, and responding to our government's call for low-carbon green development.

Recently, a number of online media, including Xinhua News Agency, Tencent, China Fortune, and Toutiao, praised our Company's employees who were volunteers in caring for autistic teenagers. In December 2021, we coordinated with Beijing Zhuxiaoxing Special Group Integration and Entrepreneurship Center to support special group entrepreneurial projects through online live streaming. We are concerned about the difficulties faced by young people with autism in finding and maintaining employment and in starting a business. In order to allow older autistic teens to have their own jobs, develop skills, and integrate into society as soon as possible, King Eagle Mall utilizes the advantages of its own social e-commerce platform and uses traffic calls to actively support and motivate autistic teenagers with respect to their entrepreneurial projects.

Corporate. Since the Company was established, we have attempted to be a major participant in the digitalization of business and commercialization of digital businesses. From a series of operations, such as member use, purchase experience, and data viewing, King Eagle Mall provides functions, such as one-click operation, real time information feedback, and intelligent recommendations. In the process of deepening the digital strategy of King Eagle Mall, the overall strength of our Company has also significantly improved, and it can provide consumers with a new shopping experience in the future. In addition, King Eagle (China)'s instant messaging tool, K Messenger, officially launched in April 2023 as a private domain, traffic dynamic, instant messaging software, representing another advance in the field of wireless Internet by King Eagle (China) and enhancing communication among its stakeholders and customers.

K Messenger plays an important role in our development strategy. Since we commenced research and development in March 2023, it has been closely watched by the market and the industry, and has attracted the interest of many users. K Messenger is an online product launched within the King Eagle (China) business line. In the short term, the goal of K Messenger is to provide a sustainable instant messaging platform for dealers that will improve the communication efficiency between dealers and enterprises. With the expansion of user scale and the continuous improvement of product reliability and functionality, we believe that K Messenger will bring more social benefits to users while also promoting the rapid development of King Eagle (China)'s business results.

As an international start-up company, we will be addressing, identifying, and setting our ESG goals. These will be further disclosed in future filings of our periodic reports with the Securities and Exchange Commission.

Regulations

Because all of our operating entities are located in the PRC, we are regulated by the national and local laws of the PRC. This section summarizes the major PRC regulations relating to our business. See "Risk Factors - Risks Related to Doing Business in China."

Other than for business licenses that have been obtained, we do not believe that we are required to obtain any permissions and approvals under the regulations discussed below. However, if we have inadvertently concluded that such permissions or approvals are not required or if applicable laws, regulations, or interpretations change and we are required to obtain such permissions or approvals in the future, the Company or its VIE could be subject to, among other things, administrative penalties, rectification orders, fines, suspension of relevant business, or revocation of business permits or licenses, and the Company's securities could become ineligible for listing on a US exchange.

As of the date of this Annual Report, neither the Company nor any of its subsidiaries or it's VIE and its subsidiaries have been denied any permissions or approvals.

Regulations Regarding Foreign Investment

The Catalogue of Industries for Encouraged Foreign Investment (2020 Edition) (the "Encouraging Catalogue") was jointly promulgated by the National Development and Reform Commission (the "NDRC") and the Ministry of Commerce ("MOFCOM") on December 27, 2020, and it came into effect on January 27, 2021. The Special Administrative Measures for Access of Foreign Investment (Negative List) (2020 Edition) (the"2020 Negative List") was jointly promulgated on June 23, 2020 and took effect on July 23, 2020. The Encouraging Catalogue and the 2020 Negative List categorize industries into three categories - "encouraged," "restricted," and "prohibited." All industries that are not listed under one of "encouraged," "restricted," or "prohibited" categories are deemed to be "permitted." The Encouraging Catalogue and the 2020 Negative List are subject to review and update by the Chinese government from time to time. Our business is classified under the category of "encouraged."

Regulation Regarding Foreign Exchange Registration of Offshore Investment by PRC

The Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles, or Circular 37, issued by SAFE and effective on July 4, 2014 regulates foreign exchange matters in relation to the use of special purpose vehicles, or SPVs, by PRC residents or entities to seek offshore investment and financing and conduct round trip investment in China.

Circular 37 and other SAFE rules require PRC residents, including both legal and natural persons, to register with local banks before making a capital contribution to any company outside of China (an "offshore SPV") with onshore or offshore assets and equity interests legally owned by PRC residents. In addition, any PRC individual resident who is a stockholder of an offshore SPV is required to update his or her registration with the local banks with respect to that offshore SPV in connection with a change of basic information of the offshore SPV such as its company name, business term, the shareholding by the individual PRC resident, merger, division, and with respect to the individual PRC resident in case of any increase or decrease of capital in the offshore SPV, transfer of shares, or swap of shares by the individual PRC resident. Failure to comply with the required SAFE registration and updating requirements described above may result in restrictions being imposed on the foreign exchange activities of the PRC subsidiaries of such offshore SPV, including increasing the registered capital or payment of dividends and other distributions to, and receiving capital injections from, the offshore SPV. Failure to comply with Circular 37 may also subject the relevant PRC residents or the PRC subsidiaries of such offshore SPV to penalties under PRC foreign exchange administration regulations for evasion of applicable foreign exchange restrictions.

Regulations Regarding Foreign Exchange

Under the Foreign Currency Administration Rules promulgated in 1996 and revised in 1997 and 2008 and various regulations issued by SAFE and other relevant PRC government authorities, RMB is convertible into other currencies without prior approval from SAFE only to the extent of current account items, such as trade related receipts and payments, interest, and dividends, and after complying with certain procedural requirements. The conversion of RMB into other currencies and remittance of the converted foreign currency outside the PRC for the purpose of capital account items, such as direct equity investments, loans, and repatriation of investment, requires prior approval from SAFE or its local office. Payments for transactions that take place within China must be made in RMB. Unless otherwise approved, PRC companies must repatriate foreign currency payments received from abroad. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks subject to a cap set by SAFE or its local office. Unless otherwise approved, domestic enterprises must convert all of their foreign currency proceeds into RMB.

On August 29, 2008, SAFE promulgated Circular 142 which regulates the conversion by a foreign-funded enterprise of foreign currency into RMB by restricting how the converted RMB may be used. In addition, SAFE promulgated Circular 45 on November 9, 2011 in order to clarify the application of Circular 142. Under Circular 142 and Circular 45, the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within the PRC. In addition, SAFE strengthened its oversight of the flow and use of the RMB capital converted from foreign currency registered capital of foreign-invested enterprises. The use of such RMB capital may not be changed without SAFE's approval, and such RMB capital may not in any case be used to repay RMB loans if the proceeds of such loans have not been used. Violations of Circular 142 and Circular 45 could result in severe penalties, such as heavy fines as set out in the relevant foreign exchange control regulations. On July 4, 2014, SAFE promulgated SAFE Circular 36, which launched a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises in certain designated areas from August 4, 2014. However, SAFE Circular 36 continues to prohibit foreign-invested enterprises from directly or indirectly using the Renminbi converted from their foreign exchange capital for purposes beyond their business scope. On March 30, 2015, SAFE promulgated Circular 19 to expand the reform nationwide. Circular 19 came into force and replaced both Circular 142 and Circular 36 on June 1, 2015. Circular 36 allowed enterprises established within the pilot areas to use their foreign exchange capital to make equity investments and removed certain other restrictions provided under Circular 142 for these enterprises. Circular 19 removed those restrictions for all foreign-invested enterprises established in the PRC. However, both Circular 36 and Circular 19 continue to prohibit foreign-invested enterprises from, among other things, using the Renminbi funds converted from their foreign exchange capital for expenditures beyond their business scope, providing entrusted loans, or repaying loans between non-financial enterprises.

On June 9, 2016, SAFE promulgated Circular 16, which provides an integrated standard for converting foreign exchange under capital account items (including but not limited to foreign exchange capital and foreign debts) on a discretionary basis which applies to all enterprises registered in the PRC. Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, and such converted Renminbi shall not be provided as loans to its non-affiliated entities, except where it is expressly permitted in the company's business license.

Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

On February 17, 2023, the China Securities Regulatory Commission (the "CSRC") released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Trial Measures, which came into effect on March 31, 2023. On the same date of the issuance of the Trial Measures, the CSRC circulated No. 1 to No. 5 Supporting Guidance Rules, the Notes on the Trial Measures, the Notice on Administration Arrangements for the Filing of Overseas Listings by Domestic Enterprises and the relevant CSRC Answers to Reporter Questions on the official website of the CSRC, or collectively, the Guidance Rules and Notice. The Trial Measures, together with the Guidance Rules and Notice, reiterate the basic supervision principles as reflected in the Draft Overseas Listing Regulations by providing substantially the same requirements for filings of overseas offering and listing by domestic companies, yet made the following updates compared to the Draft Overseas Listing Regulations: (a) further clarification of the circumstances prohibiting overseas issuance and listing; (b) further clarification of the standard of indirect overseas listing under the principle of substance over form, and (c) adding more details of filing procedures and requirements by setting different filing requirements for different types of overseas offering and listing.

Pursuant to the Trial Measures, the Guidance Rules and Notice, domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC within three working days following their submission of initial public offerings or listing application. Companies that have already been listed on overseas stock exchanges or have obtained the approval from overseas supervision administrations or stock exchanges for their offering and listing and that will complete their overseas offering and listing prior to September 30, 2023 are not required to make immediate filings for their listing yet need to make filings for subsequent offerings in accordance with the Trial Measures. Companies that have already submitted an application for an initial public offering to overseas supervision administrations prior to the effective date of the Trial Measures but have not yet obtained the approval from overseas supervision administrations or stock exchanges for the offering and listing may arrange for the filing within a reasonable time period and should complete the filing procedure before such companies' overseas issuance and listing.

According to the Notice on Administration Arrangements for the Filing of Overseas Listings by Domestic Enterprises, domestic companies that have already been listed overseas before the effective date of the Trial Measures, March 31, 2023, shall be deemed Existing Issuers, and Existing Issuers are not required to complete the filing procedures immediately, but they will be required to file with the CSRC for any subsequent offerings. If a domestic company fails to complete required filing procedures or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as an order to rectify, warnings, and fines, and its controlling shareholders, actual controllers, the person directly in charge, and other directly liable persons may also be subject to administrative penalties, such as warnings and fines.

On February 24, 2023, the CSRC, together with the Ministry of Finance, the National Administration of State Secrets Protection and National Archives Administration of China, revised the Provisions on Strengthening Confidentiality and Archives Administration for Overseas Securities Offering and Listing, which were issued by the CSRC and National Administration of State Secrets Protection and National Archives Administration of China in 2009, or the Provisions. The revised Provisions were issued under the title the "Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies," and came into effect on March 31, 2023, together with the Trial Measures.

One of the major revisions to the revised Provisions is expanding their application to cover indirect overseas offerings and listing, as is consistent with the Trial Measures. The revised Provisions require that, among other things, (a) a domestic company that plans to, either directly or indirectly through its overseas listed entity, publicly disclose or provide to relevant individuals or entities, including securities companies, securities service providers, and overseas regulators, any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; and (b) a domestic company that plans to, either directly or indirectly through its overseas listed entity, publicly disclose or provide to relevant individuals and entities, including securities companies, securities service providers, and overseas regulators, any other documents and materials that, if leaked, will be detrimental to national security or public interest, shall strictly fulfill relevant procedures stipulated by applicable national regulations. Any failure or perceived failure by the Company and its subsidiaries to comply with the above confidentiality and archives administration requirements under the revised Provisions and other PRC laws and regulations may result in the relevant entities being held legally liable by competent authorities and referred to the judicial organ to be investigated for criminal liability if suspected of committing a crime.

As an Existing Issuer, the Company is not required to make any filings at this time pursuant to the Trial Measures and the revised Provisions; however, if we should seek to effect an overseas follow-on offering in the future, we would be required to file with the CSRC within three working days following our submission of an initial public offering or listing application. As of the date of this Annual Report, the Company is not considering any overseas public offerings of its securities. However, there are still uncertainties regarding the interpretation and implementation of such regulatory guidance, and we cannot assure you that we have not inadvertently misinterpreted the filing requirements, that the requirements will not change in the future, or that we will be able to comply with all the new regulatory requirements of the Trial Measures, the revised Provisions, or any future implementing rules on a timely basis, or at all. Any failure by us to fully comply with the new regulatory requirements, including but not limited to the failure to complete the filing procedures with the CSRC, if required, may result in our securities being ineligible for listing on a US exchange, which would significantly limit or completely hinder our ability to offer or continue to offer our common stock, cause significant disruption to our business operations, severely damage our reputation, and, in turn, materially and adversely affect our financial condition and results of operations and cause our securities to significantly decline in value or become worthless.

Opinions on Severely Cracking Down on Illegal Securities Activities According to Law

Recently, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the “Opinions on Severely Cracking Down on Illegal Securities Activities According to Law,” or “the Opinions,” which were made available to the public on July 6, 2021. The Opinions emphasized the need to strengthen the administration over illegal securities activities and the need to strengthen the supervision over overseas listings by Chinese companies.

Based on our understanding of currently applicable PRC laws and regulations, the Company and its PRC subsidiary and VIE: (i) are not currently required to obtain permissions from any PRC authorities to operate or to issue securities to foreign investors; (ii) are not subject to permission requirements from the China Securities Regulatory Commission (the “CSRC”), the Cyberspace Administration of China (the “CAC”) or any other entity that is required to approve their operations; and (iii) have not been denied any permissions by any PRC authorities. In addition,

If we have erroneously concluded that these permission requirements do not apply to us, or if applicable laws, regulations, or interpretations change, and it is determined in the future that the permission requirements become applicable to us, we may be subject to review, may face challenges in addressing these requirements and may incur substantial costs in complying with these requirements, which could result in material adverse changes in our business operations and financial position. In addition, if we are not able to fully comply with the Measures for Cybersecurity Review (2021 version), discussed below, or if the Opinions come into effect and are determined to be applicable to us, our ability to offer or to continue to offer securities to investors may be significantly limited or completely hindered, and our securities may significantly decline in value or become worthless.

Given the current PRC regulatory environment, it is uncertain whether the Company will be required to obtain permission from the PRC government to list on U.S. exchanges in the future, and if such permission is required, whether it will be denied or later rescinded. We have been closely monitoring regulatory developments in China regarding any necessary approvals from the CSRC or other PRC governmental authorities required for overseas listings. As of the date of this Annual Report, we have not received any inquiry, notice, warning, sanctions, or regulatory objection to our prior securities offering from the CSRC or other PRC governmental authorities. However, there remains significant uncertainty as to the enactment, interpretation and, implementation of regulatory requirements related to overseas securities offerings and other capital markets activities.

According to the Administration Provision and the Measures, only new offerings and refinancing by existent overseas listed Chinese companies will be required to go through the filing process with PRC administrations; other existent overseas listed companies will be allowed a sufficient transition period to complete their filing procedure, which means that we will certainly go through the filing process in the future, perhaps because of a refinancing, or be given a sufficient transition period to complete the filing procedure as an existent overseas listed Chinese company.

Regulations regarding privacy and data protection

Regulatory authorities in China have implemented and are considering further legislative and regulatory proposals concerning data protection. New laws and regulations that govern new areas of data protection or impose more stringent requirements may be introduced in China. In addition, the interpretation and application of consumer and data protection laws in China are often uncertain, in flux, and complicated, including differentiated requirements for different groups of people or different types of data.

PRC Cybersecurity Law. The PRC regulatory and enforcement regime with regard to privacy and data security is evolving. The PRC Cybersecurity Law, which took effect in June 2017, created China’s first national-level data protection regime for “network operators,” which may include all organizations in China that provide services over the internet or another information network. It provides that personal information and important data collected and generated by operators of critical information infrastructure in the course of their operations in the PRC should be stored in the PRC, and the law imposes heightened regulation and additional security obligations on operators of critical information infrastructure. It also provides that network operators are required to implement security protection measures to ensure that the network is free from interference, disruption, or unauthorized access, and to prevent network data from being disclosed, stolen, or tampered.

Data Security Law. On June 10, 2021, the Standing Committee of the National People’s Congress of China promulgated the Data Security Law which took effect on September 1, 2021.

The Data Security Law establishes a tiered system for data protection in terms of importance, in which data categorized as “important data,” which will be determined by governmental authorities in the form of catalogs, are required to be treated with a higher level of protection. Specifically, the Data Security Law provides that operators processing “important data” are required to appoint a “data security officer” and a “management department” to take charge of data security. In addition, such operator is required to evaluate the risk of its data activities periodically and file assessment reports with relevant regulatory authorities. In addition, the Data Security Law prohibits entities and individuals in China from providing any foreign judicial or law enforcement authority with any data stored in China without approval from competent PRC authority, and sets forth the legal liabilities of entities and individuals found to be in violation of their data protection obligations, including rectification order, warning, fines of up to RMB10 million, suspension of relevant business, and revocation of business permits or licenses.

There can be no assurance that we would be able to complete the applicable cybersecurity review procedures in a timely manner, or at all, if we are required to follow such procedures. This could have a material adverse effect on our results of operations and business prospects. Moreover, the notion of “important data” is not clearly defined by the Cybersecurity Law or the Data Security Law. In order to comply with the statutory requirements, we will need to determine whether we possess important data, monitor the important data catalogs that are expected to be published by local governments and departments, perform risk assessments, and ensure that we are complying with reporting obligations to applicable regulators, if necessary. Furthermore, if judicial and law enforcement authorities outside China require us to provide data stored in China, and we are not able to pass any required government security review or obtain any required government approval to do so, we may not be able to meet the foreign authorities’ requirements. The potential conflicts in legal obligations could have an adverse impact on our operations in and outside China.

Cybersecurity Review Measures. In January 2022, the CAC and several other administrations jointly promulgated the amended Cybersecurity Review Measures, or the Cybersecurity Review Measures, which became effective on February 15, 2022, and which supersede and replace the cybersecurity review measures that became effective in June 2020. Pursuant to the Cybersecurity Review Measures, a “critical information infrastructure operator,” or a CIIO, that purchases network products and services or conducts data processing activities that affect or may affect national security will be subject to cybersecurity review. The Cybersecurity Review Measures also expands the cybersecurity review to "internet platform operators" in possession of personal information of over one million users if such operators intend to list their securities in a foreign country. Alternatively, relevant governmental authorities in the PRC may initiate cybersecurity review if they determine an operator's network products or services or data processing activities affect or may affect national security. We do not believe that our Company constitutes a critical information infrastructure operator and we have less than one million registered users on our digital platform.

On November 14, 2021, the Cyberspace Administration of China released the Regulations on Network Data Security (draft for public comments), the final version of which went into effect on January 1, 2025. The Regulations on Network Data Security provide that data processors refer to individuals or organizations that autonomously determine the purpose and the manner of processing data. If a data processor that processes personal data of more than one million users intends to list overseas, it shall apply for a cybersecurity review. In addition, data processors that process important data or are listed overseas shall carry out an annual data security assessment on their own or by engaging a data security services institution, and the data security assessment report for the prior year should be submitted to the local cyberspace affairs administration department before January 31 of each year.

Under the Data Security Law and the Cybersecurity Review Measures, as long as we are not deemed to be an operator or a data processor and we do not control more than one million users' personal information, we would not be required to apply for a cybersecurity review by the CAC. However, if the CSRC, CAC, or other regulatory agency later promulgates new rules or explanations requiring that we obtain their approvals for a follow-on offering, we may be unable to obtain such approvals which could significantly limit or completely hinder our ability to offer additional securities to investors and our securities may substantially decline in value or be worthless.

We currently have less than one million registered users on our digital platform and only require and obtain user information after users register with it. Given that we sell and service products through our digital platform, we may constitute a "data processor," but as the number of our online registered users is far less than one million, we do not believe that we are required to apply for a cybersecurity review under the Cybersecurity Review Measures or the Regulations on Network Data Security. Although we believe we currently are not required to obtain clearance from the CAC under the Cybersecurity Review Measures, the Regulations on Network Data Security, or the Opinions on Strictly Cracking Down on Illegal Securities Activities, we face uncertainties as to the interpretation or implementation of such regulations or rules and we may in the future be required to perform a data security assessment annually either by ourselves or by retaining a third party data security service provider and submitting such data security assessment report to the local agency every year under the Regulations on Network Data Security.

Personal Information Protection Law. On August 20, 2021, the Standing Committee of the National People's Congress of China promulgated the Personal Information Protection Law (the "PIPL"), which took effect on November 1, 2021. In addition to other rules and principles of personal information processing, the Personal Information Protection Law specifically provides rules for processing sensitive personal information. Sensitive personal information refers to personal information that, once leaked or illegally used, could easily lead to the infringement of human dignity or harm to the personal or property safety of an individual, including biometric recognition, religious belief, specific identity, medical and health, financial account, personal whereabouts, and other information of an individual, as well as any personal information of a minor under the age of 14. Only where there is a specific purpose and sufficient necessity, and under circumstances where strict protection measures are taken, may personal information processors process sensitive personal information. A personal information processor shall inform the individual of the necessity of processing such sensitive personal information and the impact thereof on the individual's rights and interests. As uncertainties remain regarding the interpretation and implementation of the Personal Information Protection Law, we cannot assure you that we will comply with the Personal Information Protection Law in all respects and regulatory authorities may order us to rectify or terminate our current practice of collecting and processing sensitive personal information.

Summary. Compliance with the PRC Cybersecurity Law, the Data Security Law, the Cybersecurity Review Measures, and the Personal Information Protection Law, as well as additional laws and regulations that PRC regulatory bodies may enact in the future, may result in additional expenses to us and subject us to negative publicity, which could harm our reputation among users and negatively affect the trading price of our common stock in the future. PRC regulators, including the Department of Public Security, the Ministry of Industry and Information Technology, the State Administration for Market Regulation, and the CAC, have been increasingly focused on regulation in the areas of data security and data protection, and are enhancing the protection of privacy and data security by rulemaking and enforcement actions at central and local levels. We expect that these areas will receive greater and continued attention and scrutiny from regulators and the public going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. We cannot assure you that we will be compliant with these new laws and regulations described above in all respects, and we may become subject to penalties, including fines, suspension of business, prohibition against new user registration (even for a short period of time) and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected, all of which could materially and adversely affect our business, financial condition, and results of operations.

The PRC government has broad discretion in determining rectifiable or punitive measures for non-compliance with or violations of PRC laws and regulations. If the PRC government determines that we, our Hong Kong or PRC subsidiaries, or our VIE do not comply with applicable law, it could revoke the VIE's and our PRC subsidiaries' business and operating licenses, require the VIE to discontinue or restrict its operations, restrict the VIE's right to collect revenues, require the VIE to restructure its operations, impose additional conditions or requirements with which the VIE may not be able to comply, impose restrictions on the VIE's business operations or on its customers, or take other regulatory or enforcement actions against the VIE that could be harmful to its business, which could materially and adversely affect the VIE's and the Company's business, financial condition, and results of operations.

In addition, any failure, or perceived failure, by us to comply with the above and other regulatory requirements or privacy protection-related laws, rules, and regulations could result in reputational damage or proceedings or actions against us by governmental entities, consumers, or others. These proceedings or actions could subject us to significant penalties and negative publicity, require us to change our data and other business practices, increase our costs, and severely disrupt our business, all of which could negatively affect the trading price of our common stock.

Laws and Regulations Relating to Intellectual Property Rights

Pursuant to the Trademark Law of the PRC (the "Trademark Law"), the right to exclusive use of a registered trademark shall be limited to trademarks which have been registered and to goods for which the use of trademark has been permitted. The period of validity of a registered trademark shall be ten years, counted from the day the registration is made. According to the Trademark Law, (i) using a trademark that is identical to a registered trademark on the same goods without the authorization of the owner of the registered trademark; (ii) using a trademark that is similar to a registered trademark on the same goods or (iii) using a trademark that is identical with or similar to a registered trademark on similar goods without the authorization of the owner of the registered trademark, which is likely to cause confusion, shall be deemed to constitute an infringement of the exclusive right to use a registered trademark. The infringer shall, in accordance with the regulations, undertake to cease the infringement, take remedial action, and pay damages.

Taxation

PRC Enterprise Income Tax

The PRC Enterprise Income Tax Law, or EIT Law, and its implementation rules provide that from January 1, 2008, a uniform income tax rate of 25% is applied equally to domestic enterprises as well as foreign investment enterprises.

The EIT Law and its implementation rules provide that a withholding tax at the rate of 10% is applicable to dividends and other distributions payable by a PRC resident enterprise to investors who are "non-resident enterprises" (that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant dividend or other distribution is not effectively connected with the establishment or place of business). However, pursuant to the Arrangement between the Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income effective on December 8, 2006, the withholding tax rate for dividends paid by a PRC resident enterprise is 5% if the Hong Kong enterprise is determined by the competent tax authority in the PRC to have satisfies the relevant conditions and requirements under the applicable laws ; otherwise, the dividend withholding tax rate is 10%. According to the Notice of the PRC State Administration of Taxation on Issues relating to the Administration of the Dividend Provision in Tax Treaties promulgated on February 20, 2009, and effective on the same day, the corporate recipient of dividends distributed by PRC enterprises must satisfy the direct ownership thresholds at all times during the 12 consecutive months preceding the receipt of the dividends. However, if a company is deemed to be a pass-through entity rather than a qualified owner of benefits, it cannot enjoy the favorable tax treatments provided in the tax arrangement. In addition, if transactions or arrangements are deemed by the relevant tax authorities to be entered into mainly for the purpose of enjoying favorable tax treatments under the tax arrangement, such favorable tax treatments may be subject to adjustment by the relevant tax authorities in the future.

Business Tax and Value-added Tax

Pursuant to the Temporary Regulations on Business Tax, which were promulgated by the State Council on December 13, 1993, and effective on January 1, 1994, as amended on November 10, 2008, and effective January 1, 2009, any entity or individual conducting business in a service industry is generally required to pay business tax at the rate of 5% on the revenues generated from providing such services.

In March 2016, the Ministry of Finance and SAT jointly issued the Pilot Program of Replacing Business Tax with Value-Added Tax ("VAT") in an All-round Manner, or Circular 36, effective from May 2016, according to which PRC tax authorities have started imposing VAT on revenues from various service sectors, including real estate, construction, financial services and insurance, as well as other lifestyle service sectors, replacing the business tax replacing the business tax that co-existed with VAT for over 20 years. According to Provisional Regulations on VAT of the PRC and its detailed rules for the Implementation, organizations and individuals engaging in the sale of goods or processing, repair and assembly services, the sale of services, intangible assets, immovables, and importation of goods in the PRC shall be taxpayers of VAT and shall pay VAT pursuant to these regulations.

Business Licenses

Any company that conducts business in the PRC must have a business license that covers the business in which such company is engaged. Other than regular business licenses that we have already obtained, there is no special license or permit required for us to engage in our current businesses under PRC laws and regulations.

Following the 2021 Share Exchange, we conduct our business through our control of Kun Peng International Holding. Each of King Eagle (China), King Eagle VIE, King Eagle (Beijing), Kun Zhi Jian (Shandong), Kun Pin Hui (Shandong), and King Eagle (Hangzhou) holds a business license that covers its present or planned business.

King Eagle (China)'s business license was issued on April 20, 2021. The scope of King Eagle (China)'s registered business includes, among numerous other things: (i) wholesale sale of daily necessities; (ii) import and export of goods; (iii) Internet sales (except sales of licensed goods); (iv) general merchandise sales; (v) pre-packaged food sales; (vi) pre-packaged health food sales; (vii) health consultation services (excluding diagnosis and treatment services); (viii) sales of agricultural and sideline products; (ix) retail sales of protective equipment for medical personnel; (x) wholesale sales of medical personnel protective equipment; (xi) wholesale sales of medical masks; and (xii) retail sales of medical masks.

King Eagle VIE's business license was issued on April 16, 2021, and an amendment to the business license was filed on November 5, 2021. The business scope includes, among numerous other things: general items: technical services, technical development, technical consultation, technical exchange, technology transfer, technology promotion; Data processing services; Software development; Conference and exhibition services; Advertising production; Advertising design and agency; Advertising release; Information consulting services (excluding licensed information consulting services); Information technology consulting services; Marketing planning; Etiquette service; Professional design services; Video recording and video production services; Graphic design and production; Commodity sales; Retail of computer hardware, software and ancillary equipment; Stationery retail; Retail of arts and crafts and collectibles (other than ivory and its products); Sales of electronic products; Food sales (pre-packaged food only); The second type of medical device sales; Retail of edible agricultural products; Cosmetics retail; Apparel retail; Needle textile sales; Electric bicycle sales; Sales of household appliances; Jewelry retail; Daily necessities sales; Sales of plastic products; Automobile decoration supplies sales; Daily sales of wood products; Sales of personal hygiene products; Paper product sales; Sales of maternal and infant products; Marketing of sanitary and single-use medical supplies; Sales of hair accessories; General merchandise sales; Rubber products sales; Sales of needle textiles and raw materials; Sales of labor protection articles; Shoe and hat retail; Sanitary ware sales; Retail of kitchenware and household goods; Sales of daily chemical products; Sales of sanitary ceramic products; Sales of clocks and timekeeping instruments; Sales of glasses (excluding contact lenses); Metal tool sales; Sales of arts and crafts and ceremonial articles (except ivory and its products); Food detergent sales; Gift flower sales; Sales of daily masks (non-medical); Sales of household goods; Enamel products sales; Retail of household appliances; Sales of non-electric household appliances; Sales of bamboo products; Food with plastic packaging container tool products sales; Office supplies sales; Hardware retail; Home audio-visual equipment sales; Furniture sales; Sales of sex toys for adults (excluding drugs and medical devices). (Except for the items subject to approval according to law, independently carry out business activities according to law with the business license)

Approved items: Category I value-added telecommunications business; The second type of value-added telecommunications services; The third type of medical device business; Pharmaceutical retail. (For projects subject to approval according to law, business activities can only be carried out after the approval of the relevant departments, and the specific business projects shall be subject to the approval documents or license of the relevant departments).

King Eagle (Beijing)'s business license was issued on December 1, 2022. The business scope includes, among numerous other things: general items: technical services, technical development, technical consultation, technical exchange, technology transfer, technology promotion; Organizing cultural and artistic exchange activities; Non-residential real estate lease; Food and beverage management; Conference and exhibition services; Literary and artistic creation; Advertising release; Socio-economic advisory services; Enterprise management consulting; Corporate image planning; Photography expansion service; Etiquette service; Translation services; Professional design services; Graphic design and production; Wholesale of daily necessities; Software sales; Wholesale of computer hardware, software and auxiliary equipment; Stationery wholesale; Arts and crafts and ceremonial articles manufacturing (except ivory and its products); Single-purpose commercial prepaid card agent sales; Import and export of goods; Technology import and export; Art agent; Internet sales (except sales of licensed goods); General merchandise sales; Office supplies sales; Retail of household appliances; Food sales (pre-packaged food only); Health food (pre-packaged) sales; Health consultation services (excluding diagnosis and treatment services); Tourism development project planning and consulting; Marketing planning; Agricultural and sideline product sales. (Except for the items subject to approval according to law, independently carry out business activities according to law with the business license) Approved items: tourism business; Packaging and decoration printing; Art import and export. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments, the specific business projects shall be subject to the approval documents or license of relevant departments.) (Business activities of projects prohibited or restricted by national and municipal industrial policies shall not be engaged.)

King Eagle (Hangzhou)'s business license was issued on July 18, 2024. The business scope includes general items: technical service, technology development, technology consultation, technology exchange, technology transfer, technology promotion; Information technology consulting services; Internet sales (except sales of goods that require a license); Sales of daily chemical products; Sales of electronic products; Network technology services; Disinfectant sales (without hazardous chemicals); Sales of agricultural and sideline products; Sales of personal hygiene products; Cosmetics wholesale; Cosmetics retail; Daily necessities sales; Daily necessities wholesale; Software sales; Health consultation services (excluding medical services); TCM health care services (non-medical); Remote health management services (except for the items that need to be approved according to law, independently carry out business activities according to law with the business license). Licensed items: life beauty service; Hairdressing services; The second type of value-added telecommunication services; and Category I value-added telecommunications services. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments, and the specific business projects shall be subject to the approval results).

Kun Zhi Jian (Shandong)'s business license was issued on January 30, 2024. The business scope includes general items: health consulting services (excluding diagnosis and treatment services); Food sales (pre-packaged food only); Retail of edible agricultural products; General merchandise sales; Hardware products retail; Sales of daily necessities; Technical service, technology development, technology consultation, technology exchange, technology transfer, technology dissemination; Data processing services; Software development; Conference and exhibition services; Advertising production; Advertising design, agency; Advertising release; Information consulting services (excluding licensed information consulting services); Information technology consulting services; Marketing planning; Etiquette service; Professional design services; Camera and video production services; Graphic design and production; Daily necessities sales; Retail of computer hardware, software and auxiliary equipment; Stationery retail; Wholesale of arts and crafts and collectibles (except ivory and its products); Sales of electronic products; Health food (pre-packaged) sales; Sales of formula food for special medical purposes; The second category of medical device sales; Cosmetics retail; Apparel retail; Needle textile sales; Sales of household appliances; Jewelry retail; Sales of plastic products; Automobile decoration supplies sales; Daily sales of wood products; Sales of personal hygiene products; Paper products sales; Sales of maternal and infant products; Marketing of sanitary and single-use medical supplies; Sales of hair accessories; Rubber products sales; Sales of needle textiles and raw materials; Sales of labor protection products; Shoes and hats retail; Sanitary ware sales; Retail of kitchenware and household goods; Sales of daily chemical products; Sales of sanitary ceramic products; Sales of watches and timing instruments; Sales of glasses (excluding contact lenses); Metal tool sales; Sales of arts and crafts and ceremonial articles (except ivory and its products); Food detergent sales; Gift flower sales; Daily masks (non-medical) sales; Sales of household goods; Enamel products sales; Retail of household appliances; Sales of non-electric household appliances; Bamboo products sales; Food with plastic packaging container tool products sales; Office supplies sales; Home audio-visual equipment sales; Furniture sales; Sales of adult sex toys (excluding drugs and medical devices); Internet sales (except sales of goods that require a license); Organizing cultural and artistic exchange activities; Internet equipment sales; Internet data services; Single-use commercial prepaid card agent sales. (Except for the projects subject to approval according to law, independently carry out business activities according to law with the business license) Permitted projects: Category I value-added telecommunications business; The second type of value-added telecommunication services; The third type of medical device management; Pharmaceutical retail; Food Internet sales; Internet information services; and Internet live broadcasting technology services. (In accordance with the law to be approved by the project, after the approval of the relevant departments can carry out business activities, specific business projects in the relevant departments of the approval documents or license shall prevail) Kun Zhijian (Shandong) Health Management Co., Ltd. has one branch office in Hangzhou.

Dividend Distributions

Under applicable PRC regulations, FIEs in China may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, a FIE in China is required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its general reserves until the accumulative amount of such reserves reach 50% of its registered capital. These reserves are not distributable as cash dividends. The Board of Directors of a FIE has the discretion to allocate a portion of its after-tax profits to staff welfare and bonus funds, which may not be distributed to equity owners except in the event of liquidation.

After-tax profits/losses with respect to the payment of dividends out of accumulated profits and the annual appropriation of after-tax profits as calculated pursuant to PRC accounting standards and regulations do not result in significant differences as compared to after-tax earnings as presented in our financial statements. However, there are certain differences between PRC accounting standards and regulations and U.S. generally accepted accounting principles, arising from different treatment of items such as amortization of intangible assets and change in fair value of contingent consideration rising from business combinations.

In addition, under the EIT Law, the Notice of the State Administration of Taxation on Negotiated Reduction of Dividends and Interest Rates, which was issued on January 29, 2008, the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion, which became effective on December 8, 2006, and the Announcement of the State Administration of Taxation on Issues Relating to "Beneficial Owner" in Tax Treaties, which became effective on April 1, 2018, dividends from our PRC operating subsidiaries paid to us through our Hong Kong subsidiary may be subject to a withholding tax at a rate of 10%, or at a rate of 5% if our Hong Kong subsidiary is considered a "beneficial owner" that is generally engaged in substantial business activities and entitled to treaty benefits under the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion.

Laws and Regulations Related to Employment and Labor Protection

On June 29, 2007, the National People's Congress promulgated the Employment Contract Law of PRC ("Employment Contract Law"), which became effective as of January 1, 2008, and amended on December 28, 2012. The Employment Contract Law requires employers to provide written contracts to their employees, restricts the use of temporary workers and aims to give employees long-term job security.

Pursuant to the Employment Contract Law, employment contracts lawfully concluded prior to the implementation of the Employment Contract Law and continuing as of the date of its implementation shall continue to be performed. Where an employment relationship was established prior to the implementation of the Employment Contract Law but no written employment contract was concluded, a contract must be concluded within one month after its implementation.

On September 18, 2008, the State Council promulgated the Implementing Regulations for the PRC Employment Contract Law which came into effect immediately. These regulations interpret and supplement the provisions of the Employment Contract Law.

Our standard employment contract complies with the requirements of the Employment Contract Law and its implementing regulations. We have entered into written employment contracts with all of our employees.

Pursuant to the PRC Labor Law and the PRC Labor Contract Law, employers must execute written labor contracts with full-time employees. All employers must comply with local minimum wage standards. Violations of the PRC Labor Contract Law and the PRC Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

In addition, according to the PRC Social Insurance Law and Administration Measures on Housing Fund, employers like our PRC subsidiaries in China must provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance, and housing funds. The various laws and regulations that govern employers' obligation to contribute to the social security funds include the Social Insurance Laws of the PRC, the Interim Regulation on the Collection and Payment of Social Insurance Premiums, the Decision of the State Council on Establishing a Unified System of the Basic Pension Insurance for Enterprise Employees, the Circular on Relevant Issues concerning the Improvement of the Basic Pension Insurance Policy for Urban Employees, the Regulation on Work-related Injury Insurance, the Regulation on Unemployment Insurance, the Decision of the State Council on Establishing the Basic Medical Insurance System for Urban Employees, the Circular on the Issuance of Provisions on the Administration of Basic Medical Insurance for Urban Employees, and the Trial Measures on Maternity Insurance for Enterprise Employees.

Employees

Currently, we have a total of 33 full-time employees. The following table sets forth the number of our full-time employees by function.

Function	Number of Employees
IT	6
Finance	4
Sales and Marketing	2
General Affairs	8
General Service	2
Listing	1
General and Administrative	3
Planning	3
Business school	4
Total	**33**

None of our employees belong to a union or are a party to any collective bargaining or similar agreement. We consider our relationships with our employees to be good.

ITEM 1A. RISK FACTORS

As a smaller reporting company, we are not required to include risk factors in this report. However, below is a partial list of material risks, uncertainties and other factors that could have a material effect on the Company and its operations:

Risks Related to Our Business

The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional funds and implement its business plan.

As of as of September 30, 2025, the Company incurred cash outflows from operating activities of $208,156, a net loss of $1,268,913, and negative working capital of $8,495,197; as of September 30, 2024, the Company incurred cash inflows from operating activities of $17,880, a net loss of $1,991,747 and negative working capital of $7,997,902; These conditions raise substantial doubt about the ability of the Company to continue as a going concern. The ability to continue as a going concern is dependent upon generating profitable operations in the future and/or obtaining the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they become due. In order to continue as a going concern for the next 12 months, the Company is focusing on promoting and selling its own brand of preventive health care products to wholesalers through Kun Zhi Jian, an online platform launched in October 2022, streamlining its overhead costs, and, as necessary, obtaining financing or capital funding from its stockholders or directors. Management may seek additional funds, primarily through the issuance of equity securities for cash or through loans from our officers and controlling stockholders and possibly through bank financing, to operate our business. Management estimates that additional capital will be necessary to support our operations and growth.

We may continue to incur losses in the future, and may not be able to return to profitability, which may cause the market price of our shares to decline.

The Company incurred a net loss of $1,268,913 and $1,991,747 for the fiscal years ended September 30, 2025 and 2024, respectively. We have generated very limited revenue. Our current operations are small with a short history. We may be unable to achieve our performance targets, which will impact the Company's operating results. Our ability to achieve profitability depends on the competitiveness of our products and services as well as our ability to control costs and to provide new products and services to meet the market demands and attract new customers. Due to the numerous risks and uncertainties associated with the development of our business, we cannot guarantee that we will be able to achieve profitability in the short-term or long-term. The Company is focusing on increasing its revenue through the sale of health care products and equipment service from card-operated health screening equipment on its online platform, Kun Zhi Jian and Kun Zhi Jian Mini Program, and promoting its own brand of preventive health care related products to reduce its costs of goods sold, streamlining its overhead costs, or obtaining financing from its stockholders or directors. Management may seek additional funds, primarily through the issuance of equity securities for cash and loans from our officers and controlling stockholders, to operate our business and estimates that additional capital will be necessary to support our operations and growth.

We have a limited operating history and face many of the risks and difficulties frequently encountered by development stage companies.

Our operating entity and our VIE, King Eagle (China) and King Eagle VIE, commenced their operations in June 2020, and September 2020, respectively. As a result of our limited operating history, our ability to accurately forecast our future operating results is limited and subject to a number of uncertainties. We have encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If our assumptions regarding these risks and uncertainties (which we use to plan our business) are incorrect or changed due to changes in our markets, or if we do not address these risks and uncertainties successfully, our operating and financial results could differ materially from our expectations, and our business could suffer.

The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed.

The market for health care and household products and services is fragmented, rapidly evolving and highly competitive, with relatively low barriers to entry for certain applications and services. Some of our competitors may enjoy better competitive positions in certain geographic regions or user demographics that we currently serve or may serve in the future. We expect competition in the online personal products business to continue to increase because there are no substantial barriers to entry. We believe our ability to compete depends upon many factors both within and beyond our control, including the following:

- the size and diversity of our member and paying subscriber bases;
- the timing and market acceptance of our apps, including the developments and enhancements to those apps and features relative to those offered by our competitors;
- customer service and support efforts;
- selling and marketing efforts; and
- our brand strength in the marketplace relative to our competitors.

We compete with traditional health care and household product retailers. We also compete with a number of large and small companies, including internet portals and specialty-focused media companies, that provide online and offline products and services to the markets we serve. Our principal mobile-based social e-commerce competitors include Pinduoduo (based on the group buying model), Weimeng (providing services for micro-businesses), Taobao, and JD. Many of our current and potential competitors have longer operating histories, significantly greater financial, technical, marketing, and other resources, and larger customer bases than we do. These factors may allow our competitors to respond more quickly than we can to new or emerging technologies and changes in customer preferences. These competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns, and adopt more aggressive pricing policies that may allow them to build larger member and paying subscriber bases than ours. Our competitors may develop products or services that are equal or superior to our products and services or that achieve greater market acceptance than our products and services. These activities could attract members and paying subscribers away from our websites and reduce our market share.

In addition, current and potential competitors are making, and are expected to continue to make, strategic acquisitions or are establishing cooperatives and, in some cases, establishing exclusive relationships with significant companies or competitors to expand their businesses or to offer more comprehensive products and services. To the extent that these competitors or potential competitors establish exclusive relationships with major portals, search engines, and Internet Service Providers, or ISPs, our ability to reach potential members through online advertising may be restricted. Any of these competitors could cause us difficulty in attracting and retaining members and in converting members into paying subscribers and could jeopardize our existing affiliate program and relationships with portals, search engines, ISPs, and other online properties.

If we fail to stay current with new technologies and trends in social e-commerce platforms and preventive health care and household products and services, our applications could become obsolete.

We incur compensation costs for our internal technology support team not only for the creation of new applications, but also for ensuring that our current applications will be compatible with new technologies. If our technology support team fails to upgrade our applications to stay current with new technologies or to add new features that are popular for preventative healthcare and household uses, our applications could become obsolete, which could result in a material adverse impact on our business and results of operations.

We depend heavily on key personnel, and turnover of key employees and senior management could harm our business.

Our future business and results of operations depend in significant part upon the continued contributions of our management, marketing, and technical personnel. They also depend in significant part upon our ability to attract and retain additional qualified management, technical, marketing, and sales and support personnel for our operations. As China is building its powerful technology industry and enhancing its market-oriented economic system, competition for talent becomes increasingly fierce. Many of our potential competitors have greater financial, personnel, technical, manufacturing, marketing, sales, and other resources than we do. If we lose a key employee or if a key employee fails to perform in his or her current position, or if we are not able to attract and retain skilled employees as needed, our business could suffer. We depend on the skills and abilities of these key employees in managing the technical, marketing, and sales aspects of our business, any part of which could be harmed by significant turnover.

We may not be able to manage the expansion of our operations effectively.

We are in the process of developing our business in order to meet the potentially increasing demand for our products, as well as to capture new market opportunities. Our current business operations are small with a short history. We may be unable to achieve our performance targets, which will impact our operating results. As we continue to grow, we must continue to improve our operational and financial systems, procedures, and controls, increase service capacity and output, and expand, train, and manage our growing employee base. In order to fund our ongoing operations and our future growth, we need to have sufficient internal sources of liquidity or access to additional financing from external sources. Furthermore, our management will be required to maintain and strengthen our relationships with our customers and other third parties. Currently, we only have 33 full time employees. As a result, our continued expansion has placed, and will continue to place, significant strains on our management personnel, systems, and resources. We also will need to further strengthen our internal control and compliance functions to ensure that we will be able to comply with our legal and contractual obligations and minimize our operational and compliance risks. Our current and planned operations, personnel, systems, internal procedures, and controls may not be adequate to support our future growth. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute our business strategies, or respond to competitive pressures.

A recurrence of COVID-19 may cause delays or limit our ability to expand our business.

The COVID-19 pandemic resulted in quarantines, travel restrictions, limitations on social or public gatherings, and the temporary closure of business venues and facilities around the world. Due to restrictions, quarantines, and closures in certain affected areas and government agencies in the PRC, the approval process of our applications for construction permits for Smart Kiosks was delayed by the local governmental agencies and our Smart Kiosk project has been abandoned, which impacts our plan of enhancing our face-to-face customer services and increasing our market share. The Company continues to focus its business on its online platform, King Eagle Mall, and to promote its own brand of consumer health care and health-related household products on its online platform, Kun Zhi Jian, which was introduced and implemented in October 2022, to mitigate the adverse impacts of COVID-19. The Company has also launched the Kun Zhi Jian Mini Program, which consists of three components: physiotherapy equipment, a customer service center, and a shopping mall.

Therefore, we do not expect that the virus will have a material adverse effect on our business or financial results at this time. However, it is not possible to predict the unanticipated consequence of the pandemic on our future business performance and liquidity if it should arise again in Asia. The Company continues to monitor and assess the evolving situation closely and evaluate its potential exposure.

We will rely on dividends and other distributions on equity paid by our subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business.

Our Company is a holding company, and we will rely on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements. Within our direct holding structure, the cross-border transfer of funds within our corporate group is legal and compliant with the laws and regulations of the BVI, the PRC, Hong Kong, and the State of Nevada. Our subsidiaries in the PRC and Hong Kong are permitted under the respective laws of China and Hong Kong to provide funding to us through dividends without restrictions on the amount of the funds, other than as limited by the amount of their distributable earnings. However, to the extent cash is in our Hong Kong or China subsidiaries, there is a possibility that the funds may not be available to fund our operations or for other uses outside of either Hong Kong or China due to interventions or the imposition of restrictions and limitations by the Hong Kong or the PRC government on the ability to transfer cash. In addition, if any of our subsidiaries incur debt on their own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends to their parent companies.

Moreover, to the extent that cash is in our PRC or Hong Kong subsidiaries, there is a possibility that the funds may not be available to fund our operations or for other uses outside of the PRC or Hong Kong due to interventions or the imposition of restrictions and limitations by the PRC or Hong Kong government on the ability to transfer cash**.** Any limitation on the ability of our PRC or Hong Kong subsidiaries or our VIE to pay dividends or make other distributions to us could materially and adversely affect our financial position and the value of our Ordinary Shares.

Risks Relating to our Commercial Relationship with our VIE

PRC laws and regulations governing our business and the validity of certain of our contractual arrangements are uncertain. If we are found to be in violation of such PRC laws and regulations, our business may be negatively affected, and we may be forced to relinquish our interests in those operations.

PRC laws and regulations prohibit or restrict foreign ownership of companies that operate Internet information and content, value added telecommunications, and certain other businesses in which we are engaged or could be deemed to be engaged. Consequently, we conduct certain of our operations and businesses in the PRC through our VIE. Our VIE Agreements give us effective control over King Eagle VIE and enable us to obtain substantially all of the economic benefits arising from it as well as consolidate its financial results in our results of operations. Although the structure we have adopted is commonly adopted by comparable companies in China, the PRC government may not agree that these arrangements comply with PRC licensing, registration, or other regulatory requirements, with existing policies, or with requirements or policies that may be adopted in the future.

KPIL, KP International Holding, and KP (China) are considered foreign investors or foreign invested enterprises under PRC law. As a result, KPIL, KP International Holding, and KP (China) are subject to certain limitations under PRC law on foreign ownership of Chinese companies. These laws and regulations are relatively new and may be subject to change, and their official interpretation and enforcement may involve substantial uncertainty. The effectiveness of newly enacted laws, regulations, or amendments may be delayed, resulting in detrimental reliance by foreign investors. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively.

We have been advised by our PRC counsel that the ownership structures of our PRC subsidiary and our VIE in China do not violate any applicable PRC law, regulation, or rule currently in effect; and that the contractual arrangements between King Eagle (China), King Eagle VIE, and its equity holders governed by PRC law are valid, binding, and enforceable in accordance with their terms and applicable PRC laws and regulations currently in effect. However, our PRC counsel has also advised us that there are substantial uncertainties regarding the interpretation and application of current PRC laws, rules, and regulations. Moreover, the binding rights over the VIE's subsidiaries in the contractual arrangements between King Eagle (China) and King Eagle (Tianjin) are implicit and indirect and the company laws and regulations in the PRC governing the business operations of the VIE's subsidiaries are uncertain. Accordingly, the PRC regulatory authorities and PRC courts may in the future take a view that is contrary to the opinion of our PRC legal counsel.

The PRC government has broad discretion in dealing with violations of laws and regulations, including levying fines, revoking business and other licenses, and requiring actions necessary for compliance. In particular, licenses and permits issued or granted to us by relevant governmental bodies may be revoked at a later time by higher regulatory bodies. We cannot predict the effect of the interpretation of existing or new PRC laws or regulations on our business. We cannot assure you that our current ownership and operating structure would not be found in violation of any current or future PRC laws or regulations. As a result, we may be subject to sanctions, including fines, and could be required to restructure our operations or cease to provide certain services. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. If the imposition of any of these government actions causes us to lose our right to direct the activities of our VIE or to otherwise separate from them and if we are not able to restructure our ownership structure and operations in a satisfactory manner, we would no longer be able to consolidate the financial results of our VIE in our consolidated financial statements. Any of these or similar actions could significantly disrupt our business operations or restrict us from conducting a substantial portion of our business operations, which could materially and adversely affect our business, financial condition, and results of operations.

We conduct substantially all of our operations in China through our PRC subsidiary, King Eagle (China) and our VIE, with which King Eagle (China) maintains contractual arrangements. There are risks associated with this structure as the PRC has not yet ruled on its legality.

We are not a Chinese operating company but rather a Nevada holding company with substantially all of our operations in the PRC conducted by our PRC subsidiary, King Eagle (China), through contractual agreements with King Eagle (Tianjin), our VIE. Investors have not purchased an equity interest in the VIE but have purchased equity interests in a holding company incorporated in the State of Nevada, and will never directly hold equity interests in any of our subsidiaries or in our VIE in China.

A series of contractual agreements dated May 15, 2021, including the Consulting Service Agreement, the Business Operation Agreement, the Proxy Agreement, the Equity Disposal Agreement, and the Equity Pledge Agreement, were initially entered into with our VIE. The contractual agreements were terminated and new contractual agreements were entered into June 10, 2025 (the "New Contractual Agreements"). We have been advised by our PRC counsel that the ownership structure of our VIE in China does not violate any applicable and explicit PRC laws and regulations currently in effect, and each of the contractual agreements governed by PRC law is valid, binding, and enforceable in accordance with its terms, subject to enforceability to applicable laws and the discretion of relevant government authorities in exercising their authority in connection with the interpretation and implementation thereof. As a result of the contractual agreements, the Company is the primary beneficiary of the VIE for accounting purposes, and the Company has consolidated the results of operations, financial position, and cash flows of the VIE in its consolidated financial statements under U.S. GAAP. The contractual arrangements with the VIE provide us with a "controlling financial interest" in the VIE by granting us: (i) the power to direct activities of the VIE that most significantly affect its economic performance; and (ii) the right to receive economic benefits from the VIE.

However, there are risks associated with this structure as the PRC has not yet ruled on its legality. As such, the VIE structure involves unique risks to our investors in the Nevada holding company, including:

(i) Our contractual arrangements may not be as effective in providing us with operational control, and shareholders of the VIE may fail to perform their obligations under the contractual arrangements.

(ii) We may incur substantial costs to enforce the terms of the arrangements with the VIE.

(iii) The legality and enforceability of the contractual arrangements by and among our PRC subsidiaries and the VIE have not been tested in a court of law in China.

(iv) The equity holders, directors and executive officers of the VIE as well as our employees who execute other strategic initiatives may have potential conflicts of interest with our company

(v) There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of our Nevada holding company with respect to the contractual arrangements with the VIE.

(vi) It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted or, if adopted, what they would provide.

(vii) If we or our VIE is found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required licenses, permits, registrations, or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures.

(viii) If the PRC government finds that the agreements that establish the VIE structure for operating our business do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we would be subject to severe penalties or be forced to relinquish our interest in those operations.

(ix) If the PRC government deems that our contractual arrangements with the VIE do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change or any interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in these operations.

(x) The Company, King Eagle (China), King Eagle VIE, and our investors face uncertainty with respect to potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIE and consequently significantly affect the financial performance of the VIE and our Company as a whole.

(xi) The PRC regulatory authorities could disallow the VIE structure, which would likely result in a material change in our operations and cause the value of our securities, including those we have or may in the future register for sale, to significantly decline or become worthless.

If the PRC government determines that our agreements with King Eagle (Tianjin) VIE or our VIE structure do not comply with PRC regulations, or if these regulations change or are interpreted differently in the future, our securities may decline in value or become worthless if the determinations, changes, or interpretations result in our inability to assert contractual control over the assets of King Eagle VIE, as King Eagle VIE and its subsidiary conduct all or substantially all of our operations.

Our arrangements with our VIE and its shareholders may be subject to scrutiny by the PRC tax authorities. Any adjustment of related party transaction pricing could lead to additional taxes, and therefore could have an adverse effect on our income and expenses.

The tax regime in China is rapidly evolving and there is significant uncertainty for taxpayers in China as PRC tax laws may be interpreted in significantly different ways. The PRC tax authorities may assert that we or our subsidiaries or VIE, or its equity holders, owe and/or are required to pay additional taxes on previous or future revenue or income. In particular, under applicable PRC laws, rules, and regulations, arrangements and transactions among related parties, such as the contractual arrangements with our VIE, may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that our agreements with our VIE and its shareholders were not entered into based on arm's length negotiations. As a result, they may adjust our income and expenses for PRC tax purposes in the form of a transfer pricing adjustment. Such an adjustment may require that we pay additional PRC taxes plus applicable penalties and interest, if any.

Our current corporate structure and business operations may be substantially affected by the newly enacted Foreign Investment Law.

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law, which took effect on January 1, 2020. Since it is relatively new, substantial uncertainties exist in relation to its interpretation and implementation. The Foreign Investment Law does not explicitly classify variable interest entities that are controlled through contractual arrangements as foreign invested enterprises even if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under the definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations, or the State Council. Therefore, it still leaves leeway for future laws, administrative regulations, or provisions of the State Council to provide for contractual arrangements as a form of foreign investment, at which time it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment in the PRC, and if they are deemed to be in violation, how our contractual arrangements should be dealt with.

The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment in the Special Administrative Measures (Negative List) for Foreign Investment Access jointly promulgated by MOFCOM and the NDRC that took effect in July 2020. The Foreign Investment Law provides that foreign-invested entities operating in "restricted" or "prohibited" industries will require market entry clearance and other approvals from relevant PRC government authorities. If our control over our VIE through contractual arrangements is deemed to be foreign investment in the future, and if any business of our VIE is "restricted" or "prohibited" from foreign investment under the "negative list" effective at the time, we may be deemed to be in violation of the Foreign Investment Law, the contractual arrangements that allow us to have control over our VIE may be deemed to be invalid and illegal, and we may be required to unwind such contractual arrangements and/or restructure our business operations, any of which may have a material adverse effect on our business operations.

Furthermore, if future laws, administrative regulations, or provisions mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

Our contractual arrangements may not be as effective in providing control over our variable interest entity as direct ownership.

We rely on the New Contractual Agreements with our VIE to operate our electronic platform in China and other businesses in which foreign investment is restricted or prohibited. These contractual arrangements may not be as effective as direct ownership in providing us with control over our VIE.

If we had direct ownership of the VIE, we would be able to exercise our rights as an equity holder directly to effect changes in the Board of Directors of the entity, which could effect changes at the management and operational level. Under our contractual arrangements, we would be able to change the members of the Board of Directors of the entity exclusively by influencing the equity holders' votes, and we would have to rely on the variable interest entity and the variable interest entity equity holders to perform their obligations under the contractual arrangements in order to exercise our control over the variable interest entity. The variable interest entity equity holders may have conflicts of interest with us or our shareholders, and they may not act in the best interests of our Company or may not perform their obligations under these contracts. For example, our VIE, our VIE's subsidiaries, and our VIE's equity holders could breach their contractual arrangements with us by, among other things, failing to conduct their operations, including maintaining our website and using our domain names and trademarks, which the variable interest entity has the exclusive right to use, in an acceptable manner, or taking other actions that are detrimental to our interests. Pursuant to the call option, we may replace the equity holders of the VIE at any time pursuant to the contractual arrangements. However, if any equity holder is uncooperative and any dispute relating to these contracts or to the replacement of the equity holder were to remain unresolved, we would have to enforce our rights under the contractual arrangements through the operation of PRC law and arbitral or judicial agencies, which may be costly and time-consuming and would be subject to uncertainties in the PRC legal system.

Additionally, the binding rights over the VIE's subsidiaries in the contractual arrangements between King Eagle (China) and King Eagle (Tianjin) are implicit and indirect and the company laws and regulations in the PRC governing the business operations of the VIE's subsidiaries are uncertain. Consequently, the contractual arrangements may not be as effective as direct ownership in ensuring our control over the relevant portion of our business operations.

Any failure by our VIE, our VIE's subsidiaries, or our VIE's equity holders to perform their obligations under the contractual arrangements would have a material adverse effect on our business, financial condition, and results of operations.

If our VIE, our VIE's subsidiaries, or our VIE's equity holders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. Although we have entered into an option agreement in relation to our variable interest entity, which provides that we may exercise an option to acquire, or nominate a person to acquire, ownership of the equity in that entity or, in some cases, its assets, to the extent permitted by applicable PRC laws, rules, and regulations, the exercise of the option is subject to the review and approval of the relevant PRC governmental authorities. We have also entered into an equity interest pledge agreement with respect to the variable interest entity to secure certain obligations of such VIE or its equity holders to us under the contractual arrangements. However, the enforcement of such agreement through arbitral or judicial agencies may be costly and time-consuming and would be subject to uncertainties in the PRC legal system. Moreover, our remedies under the equity pledge agreement are primarily intended to help us collect debts owed to us by the variable interest entity equity holders under the contractual arrangements and may not help us in acquiring the assets or equity of the variable interest entity.

The contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration or court proceedings in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions, such as the United States. Moreover, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law, and as a result it may be difficult to predict how an arbitration panel or court would view such contractual arrangements. As a result, uncertainties in the PRC legal system could limit our ability to enforce the contractual arrangements. Under PRC law, if the losing parties fail to carry out the arbitration awards or court judgments within a prescribed time limit, the prevailing parties may only enforce the arbitration awards or court judgments in PRC courts, which would require additional expense and delay. In the event we are unable to enforce the contractual arrangements, we may not be able to exert effective control over our variable interest entity, and our ability to conduct our business, as well as our financial condition and results of operations, may be materially and adversely affected.

Risks Related to Doing Business in China

Changes in international trade or investment policies and barriers to trade or investment and the ongoing geopolitical conflict may have an adverse effect on our business and expansion plans and could lead to the delisting of our securities from U.S. exchanges and/or other restrictions or prohibitions on investing in our securities.

In recent years, international market conditions and the international regulatory environment have been increasingly affected by competition among countries and geopolitical frictions. In particular, the U.S. administration has advocated for and taken steps toward restricting trade in certain goods, particularly from China. From 2018 to late 2019, the United States announced several tariff increases that applied to products imported from China, totaling over US$550 billion. By the end of 2019, the two countries had reached a phase one trade deal to roll back tariffs and suspend certain tariff increases by the United States that were scheduled to take effect from December 2019, and in January 2020, the two sides entered into a formal phase one agreement on trade. The progress of trade talks between China and the United States is subject to uncertainties, and there can be no assurance as to whether the United States will maintain or reduce tariffs or impose additional tariffs on Chinese products in the near future. Furthermore, in August 2019, the U.S. Treasury Department labeled China as a currency manipulator, which label was officially dropped by the U.S. Treasury Department in January 2020. However, it is uncertain whether the U.S. government may issue any similar announcements in the future. As a result of such announcement, the United States may take further actions to eliminate perceived unfair competitive advantages created by alleged manipulating actions. Changes to national trade or investment policies, treaties and tariffs, fluctuations in exchange rates, or the perception that these changes could occur could adversely affect the financial and economic conditions in China, as well as our future international and cross-border operations, our financial condition, and our results of operations.

Our business is dependent on King Eagle VIE and operations in China, and marketing and selling health-related products, and any inability to obtain products or to market and sell such products could have a material adverse effect on our business, operating results, and financial condition.

We focus on health-related products and services. Kun Zhi Jian and Kun Zhi Jian Mini Program are designed to enable health-related products to be sold by us and by third parties. Substantially all of our current and future operations are expected to be located in China. This concentration exposes us to risks associated with doing business globally. The political, legal and cultural environment in China is rapidly evolving, and any change that impairs our ability to obtain products from manufacturers in that region, or to obtain products at marketable rates, could have a material adverse effect on our business, operating results and financial condition.

There are quotas and trade restrictions on certain categories of goods and apparel from China and countries that are not subject to the World Trade Organization Agreement, which could have a significant impact on our sourcing patterns in the future. In addition, political uncertainty, including the election of President Trump, in the United States may result in significant changes to U.S. trade policies, treaties and tariffs, potentially involving trade policies and tariffs regarding China, including the potential disallowance of tax deductions for imported merchandise or the imposition of unilateral tariffs on imported products.

These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between these nations and the United States. Any of these factors could depress economic activity, restrict our sourcing from suppliers and have a material adverse effect on our business, financial condition and results of operations and affect our strategy in Asia and elsewhere around the world. We cannot predict whether any of our health related products will be subject to additional trade restrictions imposed by the United States and foreign governments, nor can we predict the likelihood, type or effect of any such restrictions. Future trade restrictions, including increased tariffs imposed by the Trump administration, or quotas, embargoes, safeguards and customs restrictions against apparel items could increase the cost, delay shipping or reduce the supply of apparel available to us or may require us to modify our current business practices, any of which could have a material adverse effect on our business, financial condition and results of operations.

Moreover, the potential for a second wave of the coronavirus pandemic breaking out in China, and the uncertainty in relation to same, could impair our ability to obtain our health-related products in that region or to obtain such products at marketable rates, particularly if additional quarantine and travel restrictions result in the closure of the businesses and/or factories in which our current health-related products are manufactured. Such events may result in the need for us to consider and establish relationships with other third parties in different countries from which to source our inventory of health related products and could have a material adverse effect on our business, operating results and financial condition.

Political and economic problems in a single country are increasingly affecting other markets and economies, and a continuation of this trend could adversely affect global economic conditions and world markets. Uncertainty and volatility in the financial markets and political systems of the U.S. or any other country, including volatility as a result of the ongoing conflicts between Russia and Ukraine, Israel and Hamas and the rapidly evolving measures in response, may have adverse spill-over effects into the global financial markets generally. International trade disruptions or disputes could adversely affect our business and operating results.

Significant portions of our business are conducted in Asia. Interruptions in international relationships or the rapidly evolving conflict between Russia and Ukraine, Israel and Hamas and trade disputes such as the current trade negotiations between the U.S. and China, including the possibility of future tariffs imposed by the Trump administration, could result in changes to our commercial operations, or otherwise affect our ability to do business. Although these global problems transcend our company and afflict companies across industries and borders, these and similar events could adversely affect us, or our business partners or customers.

Russia's military conflict in Ukraine have led to, and may lead to, additional sanctions being levied by the United States, European Union and other countries against Russia. Russia's military incursion and the resulting sanctions could adversely affect global energy and financial markets. Although our business does not have any direct exposure to Russia or the adjoining geographic regions, the extent and duration of the military action, sanctions, and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions caused by Russian military action or resulting sanctions may magnify the impact of other risks described in this section. We cannot predict the progress or outcome of the situation in Ukraine, as the conflict and governmental reactions are rapidly developing and beyond our control. Prolonged unrest intensified military activities or more extensive sanctions impacting the region could have a material adverse effect on the global economy, and such effect could in turn have a material adverse effect on the operations, results of operations, financial condition, liquidity and business outlook of our business.

There has been volatility in financial markets as a result of a number of factors, including, but not limited to, banking instability, global conflict, including the war in Ukraine and the Israel-Hamas war, inflation, changes in interest rates, and volatile markets. There is a risk that as a result of these macroeconomic factors, we could experience declines in all, or in portions, of our business. Economic uncertainty may cause some of our current or potential customers to curtail spending in our marketplace and may ultimately result in cost challenges to our operations. Any resulting adverse effects to our customers' liquidity or financial performance could reduce the demand for our products or affect our allowance for collectability of accounts receivable. These adverse conditions could result in reductions in revenue, increased operating expenses, longer sales cycles, slower adoption of new technologies, and increased competition. We cannot predict the timing, strength, or duration of any economic slowdown or any subsequent recovery generally. If general economic conditions significantly deviate from present levels, our business, financial condition, and operating results could be adversely affected.

In addition, the United States is considering ways to limit U.S. investment portfolio flows into China. Under pressure from U.S. administration officials, including the upcoming Trump administration,. China-based companies, including us, may become subject to executive orders or other regulatory actions that may, among other things, prohibit U.S. investors from investing in these companies and delist the securities of these companies from U.S. exchanges. As a result, U.S. and certain other persons may be prohibited from investing in the securities of our Company, whether or not they are listed on U.S. exchanges. For example, in November 2020, the U.S. administration issued U.S. Executive Order 13959, prohibiting investments by any U.S. person in publicly traded securities of certain Chinese companies that are deemed owned or controlled by the Chinese military. In May 2021, the American depositary shares of China Telecom, China Mobile, and China Unicom were delisted from the NYSE to comply with this executive order. In June 2021, the U.S. administration expanded the scope of the executive order to Chinese defense and surveillance technology companies. Geopolitical tensions between China and the United States may intensify and the United States may adopt even more drastic measures in the future.

China and other countries have retaliated and may further retaliate in response to new trade policies, treaties and tariffs implemented by the United States. For instance, in response to the tariffs announced by the United States, in 2018 and 2019, China announced it would stop buying U.S. agricultural products and imposed tariffs on over US$185 billion worth of U.S. goods. Although China subsequently granted tariff exemptions for certain U.S. products as a result of trade talks and the phase one trade deal with the United States, it is uncertain whether there will be any further material changes to China's tariff policies. Any further actions to increase existing tariffs or impose additional tariffs could result in an escalation of the trade conflict, which would have an adverse effect on manufacturing, trade, and a wide range of industries that rely on trade, including logistics, retail sales, and other businesses and services, which could adversely affect our business operations and financial results.

Additionally, China has issued regulations to give itself the ability to unilaterally nullify the effects of certain foreign restrictions that are deemed to be unjustified to Chinese individuals and entities. The Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation and Other Measures promulgated by the Ministry of Commerce ("MOFCOM") on January 9, 2021 with immediate effect, provide that, among other things, Chinese individuals or entities are required to report to the MOFCOM within 30 days if they are prohibited or restricted from engaging in normal business activities with third-party countries or their nationals or entities due to non-Chinese laws or measures; and the MOFCOM, following the decision of the relevant Chinese authorities, may issue prohibition orders contravening such non-Chinese laws or measures. Furthermore, on June 10, 2021, the Standing Committee of the National People's Congress of China promulgated the Anti-foreign Sanctions Law, which came into effect on the same day. The Anti-foreign Sanctions Law prohibits any organization or individual from implementing or providing assistance in implementation of discriminatory restrictive measures taken by any foreign state against the citizens or organizations of China. In addition, all organizations and individuals in China are required to implement the retaliatory measures taken by relevant departments of the State Council. Since the aforesaid laws and rules were newly promulgated, there exist high uncertainties as to how such regulations will be interpreted and implemented and how they would affect our business and results of operations or the trading prices of our Shares.

The institution of trade tariffs both globally and between the U.S. and China specifically carries the risk of negatively affecting China's overall economic condition, which could have a negative impact on us.

Trade tensions and policy changes have also led to measures that could have adverse effects on China-based issuers, including proposed legislation in the United States that would require listed companies whose audit reports and/or auditors who are subject to review by PCAOB to be subject to enhanced disclosure obligations and be subject to delisting if they do not comply with the requirements.

The enactment of the Law of the PRC on Safeguarding National Security in the Hong Kong Special Administrative Region (the "Hong Kong National Security Law") could impact our Hong Kong subsidiaries, and the market price for our shares could be adversely affected by increased tensions between the United States and China.

Recently there have been heightened tensions in the economic and political relations between the United States and China. On June 30, 2020, the Standing Committee of the PRC National People's Congress issued the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (HKSAR). This law defines the duties and government bodies of the HKSAR for safeguarding national security and four categories of offences-secession, subversion, terrorist activities, and collusion with a foreign country or external elements to endanger national security-and their corresponding penalties. On July 14, 2020, U.S. President Donald Trump signed the Hong Kong Autonomy Act, or HKAA, into law, authorizing the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong's autonomy. On August 7, 2020, the U.S. government imposed HKAA-authorized sanctions on eleven individuals, including HKSAR chief executive Carrie Lam. On October 14, 2020, the U.S. State Department submitted to relevant committees of Congress the report required under the HKAA, identifying persons materially contributing to "the failure of the Government of China to meet its obligations under the Joint Declaration or the Basic Law." The HKAA further authorizes secondary sanctions, including the imposition of blocking sanctions, against foreign financial institutions that knowingly conduct a significant transaction with foreign persons sanctioned under this authority. The imposition of sanctions such as those provided in the HKAA is in practice discretionary and highly political, especially in a relationship as extensive and complex as that between the United States and China. It is difficult to predict the full impact of the Hong Kong National Security Law and HKAA on Hong Kong and companies located in Hong Kong like our Hong Kong subsidiaries. If we or our Hong Kong or PRC subsidiaries are determined to be in violation of the Hong Kong National Security Law or the HKAA by competent authorities, our business operations, financial position, and results of operations could be materially and adversely affected. Furthermore, legislative or administrative actions in respect of Sino-U.S. relations could cause investor uncertainty for affected issuers, including us, and the market price of our shares could be adversely affected.

The Chinese government may choose to exercise significant oversight and discretion over the conduct of our and our VIE's business operations in China.

The Chinese government may choose to exercise significant oversight and discretion over the conduct of our and our VIE's business operations in China. Such governmental actions:

- could result in a material change in our VIE's operations;
- could significantly limit or completely hinder our and our VIE's ability to continue our operations in China;
- could significantly limit or completely hinder our ability to offer or continue to offer our shares to investors; and
- may cause our shares to significantly decline in value or become worthless.

Recently, the PRC government initiated a series of regulatory actions and new policies to regulate business operations in certain areas in China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas using a VIE structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. Since these statements and regulatory actions are new, it is highly uncertain how soon the legislative or administrative regulation-making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any. It is also highly uncertain what the potential impact of any such modified or new laws and regulations will be on our daily business operations, our ability to accept foreign investments, and the continued listing of our shares in the U.S. markets. These actions could result in a material change in our operations and/could cause the value of our shares to significantly decline or become worthless.

The Chinese government has also exercised, and continues to exercise, substantial control over virtually every sector of the Chinese economy through regulation and state ownership, including those relating to regulation of the health product industry, taxation, import and export tariffs, environmental regulations, land use rights, property ownership and other matters. We believe that the business operations of our VIE and its subsidiaries in China are in material compliance with all applicable legal and regulatory requirements. However, the central or local governments of the jurisdictions in which it operates may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our VIE's part to ensure its compliance with such regulations or interpretations. Accordingly, government actions in the future could have a significant effect on our VIE and our VIE's subsidiaries and on their businesses which, in turn, could have a negative effect on the value of our shares.

The new Overseas Listing Rules and other relevant rules promulgated by the CSRC may subject us to additional compliance requirements in the future.

On February 17, 2023, the China Securities Regulatory Commission (the "CSRC") released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Trial Measures, which came into effect on March 31, 2023. On the same date as the issuance of the Trial Measures, the CSRC circulated No. 1 to No. 5 Supporting Guidance Rules, the Notes on the Trial Measures, the Notice on Administration Arrangements for the Filing of Overseas Listings by Domestic Enterprises, and the relevant CSRC Answers to Reporter Questions on the official website of the CSRC, or collectively, the Guidance Rules and Notice. The Trial Measures, together with the Guidance Rules and Notice, reiterate the basic supervision principles as reflected in the Overseas Listing Regulations by providing substantially the same requirements for filings of overseas offering and listing by domestic companies, yet made the following updates compared to the Overseas Listing Regulations: (a) further clarification of the circumstances prohibiting overseas issuance and listing; (b) further clarification of the standard of indirect overseas listing under the principle of substance over form, and (c) adding more details on filing procedures and requirements by setting different filing requirements for different types of overseas offering and listing.

Pursuant to the Trial Measures and the Guidance Rules and Notice, a domestic company that seeks to offer or list securities overseas, either directly or indirectly, should fulfill the filing procedure and report relevant information to the CSRC within three working days following its submission of an initial public offering or listing application. Companies that have already been listed on overseas stock exchanges or that have obtained approval from overseas securities regulators or stock exchanges for their offering and listing and that complete their overseas offering and listing prior to September 30, 2023 are not required to make immediate filings for their listing, yet need to make filings for subsequent offerings in accordance with the Trial Measures. Companies that have already submitted an application for an initial public offering to overseas securities regulators prior to the effective date of the Trial Measures but have not yet obtained approval from overseas securities regulators or stock exchanges for the offering and listing may arrange for the filing within a reasonable time period and should complete the filing procedure before such companies' overseas issuance and listing.

According to the Notice on Administration Arrangements for the Filing of Overseas Listings by Domestic Enterprises, domestic companies that have already been listed overseas before the effective date of the Trial Measures, March 31, 2023, shall be deemed Existing Issuers, and Existing Issuers are not required to complete the filing procedures immediately, but they will be required to file with the CSRC for any subsequent offerings. If a domestic company fails to complete required filing procedures or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as an order to rectify, warnings, and fines, and its controlling shareholders, actual controllers, the person directly in charge, and other directly liable persons may also be subject to administrative penalties, such as warnings and fines.

On February 24, 2023, the CSRC, together with the Ministry of Finance, the National Administration of State Secrets Protection and National Archives Administration of China, revised the Provisions on Strengthening Confidentiality and Archives Administration for Overseas Securities Offering and Listing, which were issued by the CSRC and National Administration of State Secrets Protection and National Archives Administration of China in 2009, or the Provisions. The revised Provisions were issued under the title the "Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies," and came into effect on March 31, 2023, together with the Trial Measures. One of the major revisions to the revised Provisions is expanding their application to cover indirect overseas offerings and listing, as is consistent with the Trial Measures. The revised Provisions require that, among other things, (a) a domestic company that plans to, either directly or indirectly through its overseas listed entity, publicly disclose or provide to relevant individuals or entities, including securities companies, securities service providers, and overseas regulators, any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; and (b) a domestic company that plans to, either directly or indirectly through its overseas listed entity, publicly disclose or provide to relevant individuals and entities, including securities companies, securities service providers, and overseas regulators, any other documents and materials that, if leaked, will be detrimental to national security or public interest, shall strictly fulfill relevant procedures stipulated by applicable national regulations. Any failure or perceived failure by the Company and its subsidiaries to comply with the above confidentiality and archives administration requirements under the revised Provisions and other PRC laws and regulations may result in the relevant entities being held legally liable by competent authorities and referred to the judicial organ to be investigated for criminal liability if suspected of committing a crime.

Although, as of the date of this Annual Report, the Company is not considering any offerings of its securities, if we should seek to effect an overseas follow-on offering in the future, we may be required to comply with the Trial Measures and the revised Provisions, which would subject us to additional compliance requirements in the future. There are still uncertainties regarding the interpretation and implementation of such regulatory guidance, and we cannot assure you that we will be able to comply with all the new regulatory requirements of the Trial Measures, the revised Provisions, or any future implementing rules on a timely basis, or at all. Any failure by us to fully comply with the new regulatory requirements, including but not limited to the failure to complete the filing procedures with the CSRC, if required, may significantly limit or completely hinder our ability to offer or continue to offer our common stock on a US exchange, cause significant disruption to our business operations, and severely damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause our securities to significantly decline in value or become worthless.

Changes in the policies, regulations and rules, and the enforcement of laws of the PRC government may be implemented quickly with little advance notice and could have a significant impact upon our VIE's and our VIE's subsidiaries' ability to operate profitably in the PRC. The PRC legal system also embodies uncertainties, which could limit law enforcement availability. Therefore, our assertions and beliefs of the risk imposed by the PRC legal and regulatory system cannot be certain.

The PRC legal system is a civil law system based on written statutes. Unlike common law systems, decided legal cases have little precedence. In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past several decades has significantly enhanced the protections afforded to various forms of foreign investment in China. The Company's PRC subsidiaries, its VIE, and its VIE's subsidiary are subject to PRC laws and regulations. However, these laws and regulations change frequently, and the interpretation and enforcement thereof involve uncertainties. For instance, we may have to resort to administrative and court proceedings to enforce the legal protections to which we are entitled to by law or contract. However, since PRC administrative and court authorities have significant discretion in interpreting statutory and contractual terms, it may be difficult to evaluate the outcome of administrative court proceedings and the level of law enforcement that we would receive in more developed legal systems. Such uncertainties, including the inability of our PRC subsidiaries to enforce their contracts, could affect our business and operation. In addition, confidentiality protections in China may not be as effective as in the United States or other countries. Accordingly, we cannot predict the effect of future developments in the PRC legal system, particularly with regard to our business, including the promulgation of new laws. This may include changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. These uncertainties could limit the availability of law enforcement.

The legal system in China, it laws and regulation changing frequently and the uncertainty in interpretation and enforcement of those laws could result in a material change in our operations, and further significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

Changes in China's economic, political, or social conditions or government policies could have a material adverse effect on our business and results of operations and could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

Substantially all of our operations are conducted in the PRC. Accordingly, our financial condition and results of operations are affected to a significant extent by economic, political, and legal developments in the PRC or changes in government relations between China and the United States or other governments. There is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs.

The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies.

The PRC government also exercises significant control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions, and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth in the past four decades, growth has been uneven, both geographically and among various sectors of the economy. Since 2020 due to the global pandemic, growth of the Chinese economy has slowed down. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy but may also have a negative effect on us. Our financial condition and results of operation could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to us. In addition, the PRC government has implemented in the past certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity.

We cannot assure you that the PRC's economy will continue to grow, or that if there is growth, such growth will be steady and uniform, or that if there is a slowdown, such slowdown will not have a negative effect on its business and results of operations.

In July 2021, the Chinese government provided new guidance on China-based companies raising capital outside of China, including through VIE arrangements. In light of such developments, the SEC has imposed enhanced disclosure requirements on China-based companies seeking to register securities with the SEC. As substantially all of our operations are based in China, any future Chinese, U.S., or other rules and regulations that place restrictions on capital raising or other activities by China based companies could adversely affect our business and results of operations. If the business environment in China deteriorates from the perspective of domestic or international investment, or if relations between China and the United States or other governments deteriorate, the Chinese government may intervene with our operations and our business in China and in the United States.

Uncertainties with respect to the PRC legal system could limit the legal protections available to you and us.

We conduct substantially all of business through our operating subsidiary in the PRC. Our PRC subsidiary, the VIE, and the VIE's subsidiaries are subject to laws and regulations applicable to foreign investments in China and, in particular, laws applicable to FIEs as well as various PRC laws and regulations generally applicable to companies incorporated in China. The PRC legal system is based on written statutes, and prior court decisions may be cited for reference but have limited precedential value. Since 1979, a series of new PRC laws and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since these laws and regulations are relatively new and the PRC legal system continues to evolve rapidly, the interpretations of many laws, regulations, and rules are not always uniform, and enforcement of these laws, regulations, and rules involve uncertainties, which may limit legal protections available to you and us.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business and results of operations.

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. Such unpredictability towards our contractual, property (including intellectual property) and procedural rights could adversely affect our business and impede our ability to continue our operations.

We may face obstacles from the communist system in the PRC.

Foreign companies conducting operations in the PRC face significant political, economic, and legal risks. The communist regime in the PRC may hinder Western investment in the Company.

We may have difficulty establishing adequate management, legal and financial controls in the PRC.

The PRC historically has been deficient in Western style management and financial reporting concepts and practices, as well as in modern banking, computer, and other control systems. We may have difficulty in hiring and retaining a sufficient number of qualified employees to work in the PRC. As a result of these factors, we may experience difficulty in establishing management, legal and financial controls, collecting financial data and preparing financial statements, books of account and corporate records and instituting business practices that meet Western standards.

Our business is subject to complex and evolving laws and regulations regarding privacy and data protection. These laws and regulations can be complex and stringent, and many are subject to change and uncertain interpretation, which could result in claims, changes to our data and other business practices, regulatory investigations, penalties, increased cost of operations, or declines in user growth or engagement, or otherwise affect our business. Although we believe we currently are not required to obtain clearance from the Cyberspace Administration of China under the recently enacted or proposed regulations or rules, we face uncertainties as to the interpretation or implementation of such regulations or rules, and if required, whether such clearance can be timely obtained, or at all.

Regulatory authorities in China have implemented and are considering further legislative and regulatory proposals concerning data protection. New laws and regulations that govern new areas of data protection or impose more stringent requirements may be introduced in China. In addition, the interpretation and application of consumer and data protection laws in China are often uncertain, in flux, and complicated, including differentiated requirements for different groups of people or different types of data.

The PRC regulatory and enforcement regime with regard to privacy and data security is evolving. The PRC government is increasingly focused on data security, recently launching cybersecurity review against a number of mobile apps operated by several US-listed Chinese companies and prohibiting these apps from registering new users during the review period. Although we believe that we are compliant with the regulations and policies that have been issued to date and we do not believe that we are required to obtain any permissions and approvals under the regulations discussed below, if we have inadvertently concluded that such permissions or approvals are not required or if applicable laws, regulations, or interpretations change and we are required to obtain such permissions or approvals in the future, the Company or its VIE could be subject to increased compliance costs, as well as, among other things, administrative penalties, rectification orders, fines, suspension of relevant business, or revocation of business permits or licenses, and the Company's securities could become ineligible for listing on a US exchange.

The PRC Cybersecurity Law, which took effect in June 2017, provides that personal information and important data collected and generated by operators of critical information infrastructure in the course of their operations in the PRC should be stored in the PRC, and the law imposes heightened regulation and additional security obligations on operators of critical information infrastructure.

In January 2022, the Cyberspace Administration of China and several other administrations jointly promulgated amended Cybersecurity Review Measures, which became effective on February 15, 2022. Pursuant to the Cybersecurity Review Measures, a "critical information infrastructure operator," or a CIIO, that purchases network products and services or conducts data processing activities that affect or may affect national security will be subject to cybersecurity review. The Cybersecurity Review Measures also expands the cybersecurity review to "internet platform operators" in possession of personal information of over one million users if such operators intend to list their securities in a foreign country. Alternatively, relevant governmental authorities in the PRC may initiate cybersecurity review if they determine an operator's network products or services or data processing activities affect or may affect national security. We do not believe that our Company constitutes a critical information infrastructure operator and we have less than one million registered users on our digital platform. The PRC National Security Law defines various types of national security, including technology security and information security.

On November 14, 2021, the Cyberspace Administration of China released the Regulations on Network Data Security. The final version took effect on January 1, 2025. The Regulations on Network Data Security provide that data processors refers to individuals or organizations that autonomously determine the purpose and the manner of processing data. If a data processor that processes personal data of more than one million users intends to list overseas, it shall apply for a cybersecurity review. In addition, data processors that process important data or are listed overseas shall carry out an annual data security assessment on their own or by engaging a data security services institution, and the data security assessment report for the prior year should be submitted to the local cyberspace affairs administration department before January 31 of each year.

We currently have less than one million registered users on our digital platform and only require and obtain user information after users register with it. Given that we sell and service products through our digital platform, we may constitute a "data processor," but the number of our online registered users is far less than one million. As a result, we would not be required to apply for a cybersecurity review under the Measures for Cybersecurity Review or the Regulations on Network Data Security. Nevertheless, the Measures for Cybersecurity Review or the Regulations on Network Data Security may be subject to further changes Although we believe we currently are not required to obtain clearance from the Cyberspace Administration of China under the Measures for Cybersecurity Review, the Regulations on Network Data Security, or the Opinions on Strictly Cracking Down on Illegal Securities Activities, we face uncertainties as to the interpretation or implementation of such regulations or rules and we may in the future be required to perform a data security assessment annually either by ourselves or by retaining a third party data security service provider and submitting such data security assessment report to the local agency every year under the Regulations on Network Data Security

On June 10, 2021, the Standing Committee of the National People's Congress of China promulgated the Data Security Law which took effect on September 1, 2021. The Data Security Law provides for data security and privacy obligations of entities and individuals carrying out data activities, prohibits entities and individuals in China from providing any foreign judicial or law enforcement authority with any data stored in China without approval from a competent PRC authority, and sets forth the legal liabilities of entities and individuals found to be in violation of their data protection obligations, including rectification order, warning, fines of up to RMB10 million, suspension of relevant business, and revocation of business permits or licenses.

On August 20, 2021, the Standing Committee of the National People's Congress of China promulgated the Personal Information Protection Law which took effect on November 1, 2021. In addition to other rules and principles of personal information processing, the Personal Information Protection Law specifically provides rules for processing sensitive personal information. Sensitive personal information refers to personal information that, once leaked or illegally used, could easily lead to the infringement of human dignity or harm to the personal or property safety of an individual, including biometric recognition, religious belief, specific identity, medical and health, financial account, personal whereabouts, and other information of an individual, as well as any personal information of a minor under the age of 14. Only where there is a specific purpose and sufficient necessity, and under circumstances where strict protection measures are taken, may personal information processors process sensitive personal information. A personal information processor shall inform the individual of the necessity of processing such sensitive personal information and the impact thereof on the individual's rights and interests. As uncertainties remain regarding the interpretation and implementation of the Personal Information Protection Law, we cannot assure you that we will comply with the Personal Information Protection Law in all respects and regulatory authorities may order us to rectify or terminate our current practice of collecting and processing sensitive personal information.

Compliance with the PRC Cybersecurity Law, the PRC National Security Law, the Data Security Law, the Cybersecurity Review Measures, and the Personal Information Protection Law, as well as additional laws and regulations that PRC regulatory bodies may enact in the future, may result in additional expenses to us and subject us to negative publicity, which could harm our reputation among users and negatively affect the trading price of our common stock in the future. PRC regulators, including the Department of Public Security, the Ministry of Industry and Information Technology, the State Administration for Market Regulation, and the CAC, have been increasingly focused on regulation in the areas of data security and data protection, and are enhancing the protection of privacy and data security by rulemaking and enforcement actions at central and local levels. We expect that these areas will receive greater and continued attention and scrutiny from regulators and the public going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. If we are unable to manage these risks, we could become subject to penalties, including fines, suspension of business, prohibition against new user registration (even for a short period of time) and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

Any failure, or perceived failure, by us to comply with the above and other regulatory requirements or privacy protection-related laws, rules and regulations could result in reputational damages or proceedings or actions against us by governmental entities, consumers, or others. These proceedings or actions could subject us to significant penalties and negative publicity, require us to change our data and other business practices, increase our costs and severely disrupt our business, or negatively affect the trading price of our common stock.

You may have difficulty enforcing judgments against us.

Most of our assets are located outside of the United States and most of our current operations are conducted in the PRC. In addition, all of our directors and officers are nationals and residents of countries other than the United States. A substantial portion of the assets of these persons is located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in U.S. courts judgments on the civil liability provisions of the U.S. federal securities laws against us and our officers and directors, most of whom are not residents in the United States and the substantial majority of whose assets are located outside of the United States. In addition, there is uncertainty as to whether the courts of the PRC would recognize or enforce judgments of U.S. courts. Our counsel as to PRC law has advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. Courts in China may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other arrangements that provide for the reciprocal recognition and enforcement of foreign judgments with the United States. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates basic principles of PRC law or national sovereignty, security, or the public interest. So, it is uncertain whether a PRC court would enforce a judgment rendered by a court in the United States.

The PRC government exerts substantial influence over the manner in which we must conduct our business activities.

The PRC government has exercised and continues to exercise substantial control over virtually every sector of the Chinese economy through regulation and state ownership. Our ability to operate in China may be harmed by changes in its laws and regulations, including those relating to taxation, import and export tariffs, environmental regulations, land use rights, property, and other matters. We believe that our operations in China are in material compliance with all applicable legal and regulatory requirements. However, the central or local governments of the jurisdictions in which we operate may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations.

Accordingly, government actions in the future, including any decision not to continue to support recent economic reforms and to return to a more centrally planned economy or regional or local variations in the implementation of economic policies, could have a significant effect on economic conditions in China or particular regions thereof and could require us to divest ourselves of any interest we then hold in Chinese properties or joint ventures.

The PRC legal system embodies uncertainties, which could limit law enforcement availability.

The PRC legal system is a civil law system based on written statutes. Unlike common law systems, decided legal cases have little precedence. In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past several decades has significantly enhanced the protections afforded to various forms of foreign investment in China. Our PRC operating subsidiary and affiliate is subject to PRC laws and regulations. However, these laws and regulations change frequently, and the interpretation and enforcement involve uncertainties. For instance, we may have to resort to administrative and court proceedings to enforce the legal protection that we are entitled to by law or contract. However, since PRC administrative and court authorities have significant discretion in interpreting statutory and contractual terms, it may be difficult to evaluate the outcome of administrative court proceedings and the level of law enforcement that we would receive in more developed legal systems. Such uncertainties, including the inability to enforce our contracts, could affect our business and operations. In addition, confidentiality protections in China may not be as effective as in the United States or other countries. Accordingly, we cannot predict the effect of future developments in the PRC legal system, particularly with regard to our business, including the promulgation of new laws. This may include changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. These uncertainties could limit the availability of law enforcement, including our ability to enforce our agreements.

To the extent that our independent registered public accounting firm's audit documentation related to their audit reports for the Company may, in the future, be located in China or in Hong Kong, our securities could be delisted and prohibited from trading on a U.S. exchange.

The Holding Foreign Companies Accountable Act (the "HFCAA"), as originally passed, prohibited foreign companies from listing their securities on U.S. exchanges if the company's auditor has been unavailable for PCAOB inspection or investigation for three consecutive years beginning in 2021. On December 29, 2022, as part of the Consolidated Appropriations Act, 2023, the time period for the delisting of foreign companies under the HFCAA was reduced from three consecutive years to two consecutive years.

On December 16, 2021, the PCAOB issued the Determination Report, which found that the PCAOB is unable to inspect or investigate completely registered public accounting firms headquartered in (i) mainland China of the People's Republic of China because of a position taken by one or more authorities in mainland China; and (ii) Hong Kong, a Special Administrative Region and dependency of the PRC, because of a position taken by one or more authorities in Hong Kong. In addition, the Determination Report identified specific registered public accounting firms subject to these determinations.

On August 26, 2022, the PCAOB signed a Statement of Protocol with the China Securities Regulatory Commission and the Ministry of Finance of the PRC (the "SOP"). Pursuant to the SOP, the PCAOB has independent discretion to select any issuer audits for inspection or investigation and has the unfettered ability to transfer information to the SEC. The determinations as to mainland China and Hong Kong were vacated by the PCAOB as of December 15, 2022 as a result of the PCAOB's having been able to conduct extensive and thorough inspections and investigations of mainland China and Hong Kong firms in 2022 under the SOP; however, if the PCAOB encounters any impediment, in the future, to conducting an inspection or investigation of auditors in mainland China or Hong Kong as a result of a position taken by an authority in either jurisdiction, it may issue new determinations consistent with the HFCAA.

Because our independent registered public accounting firm, J&S Associate PLT (F.K.A: J&S Associate) ("J&S"), is headquartered in Kuala Lumpur, Malaysia, it would not be subject to any determinations that may be announced by the PCAOB in the future with respect to auditors located in China or Hong Kong. We believe that the PCAOB's inspectors and investigators have consistent access to the audit work performed by J&S for us. Therefore, we do not expect to be affected by the HFCAA at this time.

However, to the extent that our auditor's work papers may, in the future, become located in mainland China or in Hong Kong, such work papers may not be available for inspection by the PCAOB if authorities in the PRC or Hong Kong were to take a position at that time that would prevent the PCAOB from continuing to inspect or investigate completely registered public accounting firms headquartered in mainland China or Hong Kong. If such lack of inspection were to extend for the requisite period of time under the HFCAA, and if the PCAOB were then to issue new determinations based on its inability to inspect or investigate completely registered public accounting firms headquartered in mainland China or Hong Kong because of a position taken by an authority in those jurisdictions, our shares could be delisted and prohibited from trading on a U.S. exchange. In addition, if our auditor's work papers were to become located in China or Hong Kong in the future, and thereby not be available for PCAOB inspection, our investors would be deprived of the benefits of the PCAOB's oversight of our auditor through such inspections, and they may lose confidence in our reported financial information and procedures and the quality of our financial statements. Also, we cannot assure you that U.S. regulatory authorities will not apply additional or more stringent criteria to us. Such uncertainty could cause the market price of our shares to be materially and adversely affected.

The enforcement of the PRC labor contract law may materially increase our costs and decrease our net income.

China adopted a new Labor Contract Law, effective on January 1, 2008, and issued its implementation rules, effective on September 18, 2008. The Labor Contract Law and related rules and regulations impose more stringent requirements on employers with regard to, among others, minimum wages, severance payment and non-fixed-term employment contracts, time limits for probation periods, as well as the duration and the times that an employee can be placed on a fixed-term employment contract. Due to the limited period of effectiveness of the Labor Contract Law and its implementation rules and regulations, and the lack of clarity with respect to their implementation and potential penalties and fines, it is uncertain how they will impact our current employment policies and practices. In particular, compliance with the Labor Contract Law and its implementation rules and regulations may increase our operating expenses. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules and regulations may also limit our ability to effect those changes in a manner that we believe to be cost-effective or desirable and could result in a material decrease in our profitability.

A downturn in the Chinese or global economy, or a change in economic and political policies of China, could materially and adversely affect our VIE's business and financial condition.

Our VIE's business, prospects, financial condition, and results of operations may be influenced to a significant degree by political, economic, and social conditions in China generally. The Chinese economy differs from the economies of most developed countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy but may have a negative effect on our VIE.

Economic conditions in China are sensitive to global economic conditions. Any prolonged slowdown in the global or Chinese economy may affect our current customers' and potential customers' businesses and have a negative impact on our VIE's business, results of operations, and financial condition. Additionally, continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

There are political risks associated with conducting business in China.

Any adverse economic, social, and/or political conditions, material social unrest, strike, riot, civil disturbance, or disobedience, as well as significant natural disasters, may affect the market and adversely affect our business operations as the operations of our VIE and its subsidiaries are based in China. Any negative event may pose an immediate threat to the stability of the economy in China, thereby directly and adversely affecting our VIE's and our VIE's subsidiaries' results of operations and financial position. Furthermore, legislative or administrative actions in respect of China-U.S. relations could cause investor uncertainty for affected issuers, including us, and the market price of our shares could be adversely affected.

Future inflation in China may inhibit our ability to conduct business in China.

In recent years, the Chinese economy has experienced periods of rapid expansion and highly fluctuating rates of inflation. During the past ten years, the rate of inflation in China has been as high as 5.9% and as low as -0.8%. These factors have led to the adoption by the Chinese government, from time to time, of various corrective measures designed to restrict the availability of credit or regulate growth and contain inflation. High inflation may in the future cause the Chinese government to impose controls on credit and/or prices, or to take other action, which could inhibit economic activity in China, and thereby harm the market for our products and our company.

Restrictions on currency exchange may limit our ability to receive and use our sales effectively.

Currently, all of our revenues are settled in RMB, and any future restrictions on currency exchanges may limit our ability to use revenue generated in RMB to fund any future business activities outside China or to make dividend or other payments in U.S. dollars. Although the Chinese government introduced regulations in 1996 to allow greater convertibility of the RMB for current account transactions, significant restrictions still remain, including primarily the restriction that FIEs may only buy, sell or remit foreign currencies after providing valid commercial documents, at those banks in China authorized to conduct foreign exchange business. In addition, conversion of RMB for capital account items, including direct investment and loans, is subject to governmental approval in China, and companies are required to open and maintain separate foreign exchange accounts for capital account items. We cannot be certain that the Chinese regulatory authorities will not impose more stringent restrictions on the convertibility of the RMB.

Fluctuations in exchange rates could adversely affect our business and the value of our securities.

The value of our shares will be indirectly affected by the foreign exchange rate between the U.S. dollar and RMB and between those currencies and other currencies in which our sales may be denominated. Appreciation or depreciation in the value of the RMB relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. Fluctuations in the exchange rate will also affect the relative value of any dividend we issue that will be exchanged into U.S. dollars, as well as earnings from, and the value of, any U.S. dollar-denominated investments we make in the future.

Since July 2005, the RMB has no longer been pegged to the U.S. dollar. Although the People's Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future PRC authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

Very limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions. While we may enter into hedging transactions in the future, the availability and effectiveness of these transactions may be limited, and we may not be able to successfully hedge our exposure at all. In addition, our foreign currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert RMB into foreign currencies.

Restrictions under PRC law on our subsidiaries' ability to make dividend payments and other distributions could materially and adversely affect our ability to grow, make investments or acquisitions that could benefit our business, pay dividends to you, and otherwise fund and conduct our business.

Substantially all of our sales are earned by our VIE, which makes payments to King Eagle (China), one of our PRC subsidiaries, pursuant to the Consulting Service Agreement. As a holding company, we rely on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements. However, to the extent that cash is in our Hong Kong or PRC subsidiaries, there is a possibility that the funds may not be available to fund our operations or for other uses outside of the PRC or Hong Kong due to interventions or the imposition of restrictions and limitations by the PRC or the Hong Kong government on the ability to transfer cash**.** In addition, if any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to us. As of the date of this Annual Report, our subsidiaries have not experienced any difficulties or limitations on their ability to transfer cash between each other; nor do they maintain cash management policies or procedures dictating the amount of such funding or how funds are transferred. None of our subsidiaries has paid any dividends, other distributions or transferred assets to the Company as of the date of this Annual Report. In the future, cash proceeds raised from overseas financing activities may be transferred by us to our subsidiaries via capital contribution or shareholder loans, as the case may be. As of the date of this Annual Report, we have not made any transfers, paid any dividends, or made any distributions to U.S. investors.

Moreover, PRC legal restrictions permit payments of dividends by our PRC subsidiaries only out of their accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Our PRC subsidiaries are also required under PRC laws and regulations to allocate at least 10% of their annual after-tax profits determined in accordance with PRC generally accepted accounting principles to a statutory general reserve fund until the amount in said fund reaches 50% of their registered capital. Allocations to these statutory reserve funds can only be used for specific purposes and are not transferable to us in the form of loans, advances, or cash dividends. Any limitations on the ability of our PRC subsidiaries to transfer funds to their parent companies in Hong Kong could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, and otherwise fund and conduct our business.

The PRC government may issue further restrictive measures in the future.

We cannot assure you that the PRC's government will not issue further restrictive measures in the future. The PRC government's restrictive regulations and measures could increase our operating costs in adapting to these regulations and measures, limit our access to capital resources or even restrict our business operations, which could further adversely affect our business and prospects.

If our PRC subsidiary or consolidated affiliated entity are found incompliant with the employment and social security, taxation, marketing, telecommunication, or other rules of China, they may face penalties imposed by the PRC government.

Our PRC subsidiary and consolidated affiliated entity failed to strictly comply with PRC laws and regulations to contribute towards social insurance premium and housing fund on behalf of their employees, as required by the applicable laws and regulations. We may be required by relevant authorities to make up the shortfall of social insurance premium and housing fund. Although we have made efforts to settle tax payables and take compliance measures, if any PRC government authority takes the position that there is non-compliance with the taxation, marketing, telecommunication, or other rules by our PRC subsidiary or consolidated affiliated entity, they may be exposed to penalties from PRC government authorities, in which case the operation and financial conditions of our PRC subsidiary or consolidated affiliated entity may be adversely affected.

Under the Enterprise Income Tax Law, we may be classified as a "resident enterprise" of China. Such classification will likely result in unfavorable tax consequences to us and our non-PRC stockholders.

On March 16, 2007, the National People's Congress of China passed the EIT Law, and on November 28, 2007, the State Council of China passed its implementing rules, which took effect on January 1, 2008. Under the EIT Law, an enterprise established outside of China with "de facto management bodies" within China is considered a "resident enterprise," meaning that it can be treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. The implementing rules of the EIT Law define de facto management as "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise.

On April 22, 2009, the State Administration of Taxation issued the Notice Concerning Relevant Issues Regarding Cognizance of Chinese Investment Controlled Enterprises Incorporated Offshore as Resident Enterprises pursuant to Criteria of de facto Management Bodies, or the Notice, further interpreting the application of the EIT Law and its implementation non-Chinese enterprise or group controlled offshore entities. Pursuant to the Notice, an enterprise incorporated in an offshore jurisdiction and controlled by a Chinese enterprise or group will be classified as a "non-domestically incorporated resident enterprise" if (i) its senior management in charge of daily operations reside or perform their duties mainly in China; (ii) its financial or personnel decisions are made or approved by bodies or persons in China; (iii) its substantial assets and properties, accounting books, corporate chops, board and shareholder minutes are kept in China; and (iv) at least half of its directors with voting rights or senior management often resident in China. A resident enterprise would be subject to an enterprise income tax rate of 25% on its worldwide income and must pay a withholding tax at a rate of 10% when paying dividends to its non-PRC shareholders. However, it remains unclear as to whether the Notice is applicable to an offshore enterprise incorporated by a Chinese natural person. Nor are detailed measures on imposition of tax from non-domestically incorporated resident enterprises are available. Therefore, it is unclear how tax authorities will determine tax residency based on the facts of each case.

We may be deemed to be a resident enterprise by Chinese tax authorities. If the PRC tax authorities determine that we are a "resident enterprise" for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we may be subject to the enterprise income tax at a rate of 25% on our worldwide taxable income as well as PRC enterprise income tax reporting obligations. In our case, this would mean that income such as interest on financing proceeds and non-China source income would be subject to PRC enterprise income tax at a rate of 25%. Second, although under the EIT Law and its implementing rules dividends paid to us from our PRC subsidiaries would qualify as "tax-exempt income," we cannot guarantee that such dividends will not be subject to a 10% withholding tax, as the PRC foreign exchange control authorities, which enforce the withholding tax, have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as resident enterprises for PRC enterprise income tax purposes. Finally, it is possible that future guidance issued with respect to the new "resident enterprise" classification could result in a situation in which a 10% withholding tax is imposed on dividends we pay to our non-PRC stockholders and with respect to gains derived by our non-PRC stockholders from transferring our shares.

If we were treated as a "resident enterprise" by PRC tax authorities, we would be subject to taxation in both the U.S. and China, and our PRC tax may not be creditable against our U.S. tax.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

On February 3, 2015, the SAT issued the Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Tax Resident Enterprises, or SAT Bulletin 7, which came into effect on the same day, revised in October 2017 and December 2017. SAT Bulletin 7 extends its tax jurisdiction to transactions involving the transfer of taxable assets through offshore transfer of a foreign intermediate holding company. In addition, SAT Bulletin 7 has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Bulletin 7 also brings challenges to both foreign transferor and transferee (or other person who is obligated to pay for the transfer) of taxable assets, as such persons need to determine whether their transactions are subject to these rules and whether any withholding obligation applies.

On October 17, 2017, the SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-Resident Enterprise Income Tax at Source, or SAT Bulletin 37, which came into effect on December 1, 2017, and revised in June 2018. The SAT Bulletin 37 further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an Indirect Transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such Indirect Transfer to the relevant tax authority. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding, or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferee or other person who pays for the transfer is obligated to withhold the applicable taxes currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries and investments. Our company may be subject to filing obligations or may be taxed if our company is transferor in such transactions and may be subject to withholding obligations if our company is transferee in such transactions, under SAT Bulletin 7 and/or SAT Bulletin 37. For transfers of shares of our company by investors who are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under SAT Bulletin 7 and/or SAT Bulletin 37. As a result, we may be required to expend valuable resources to comply with SAT Bulletin 7 and/or SAT Bulletin 37 or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident shareholders to penalties and limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to distribute profits to us, or otherwise adversely affect us.

The SAFE promulgated the notice on relevant issues relating to domestic resident's investment and financing and roundtrip investment through special purpose vehicles ("SPV(s)"), or Notice 37, in July 2014 that requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore SPV undergoes material events relating to material change of capitalization or structure of the PRC resident itself (such as capital increase, capital reduction, share transfer or exchange, merger or spin off).On February 28, 2015, SAFE issued a notice according to which the aforesaid PRC residents or entities are no longer required to register with SAFE or its local branch, instead the aforesaid PRC residents or entities need to register with local banks. We have notified substantial beneficial owners of our ordinary shares who we know are PRC residents of their filing obligation, and to the best of our knowledge, most of those shareholders whom we know are PRC residents have completed the registration. However, we may not be aware of the identities of all our beneficial owners who are PRC residents. In addition, we do not have control over our beneficial owners and cannot assure you that all of our PRC resident beneficial owners will comply with SAFE Circular 37. Failure by an individual to comply with the required SAFE registration and updating requirements described above may result in penalties up to RMB50, 000 imposed on such individual and restrictions being imposed on the foreign exchange activities of the PRC subsidiaries of such offshore SPV, including increasing the registered capital of payment of dividends and other distributions to, and receiving capital injections for the offshore SPV. Failure to comply with Notice 37 may also subject relevant PRC resident beneficial owners or the PRC subsidiaries of such offshore SPV to penalties under PRC foreign exchange administration regulations for evasion of applicable foreign exchange restrictions.

Failure to comply with the individual foreign exchange rules relating to the overseas direct investment or the engagement in the issuance or trading of securities overseas by our PRC resident stockholders may subject such stockholders to fines or other liabilities**.**

Other than Notice 37, our ability to conduct foreign exchange activities in the PRC may be subject to the interpretation and enforcement of the implementation rules of the administrative measures for individual foreign exchange promulgated by SAFE in January 2007 (as amended and supplemented, the "Individual Foreign Exchange Rules"). Under the individual foreign exchange rules, any PRC individual seeking to make a direct investment overseas or engage in the issuance or trading of negotiable securities or derivatives overseas must make the appropriate registrations in accordance with SAFE provisions. PRC individuals who fail to make such registrations may be subject to warnings, fines or other liabilities.

We may not be fully informed of the identities of all our beneficial owners who are PRC residents. For example, because the investment in or trading of our shares will happen in an overseas public or secondary market where shares are often held with brokers in brokerage accounts, it is unlikely that we will know the identity of all of our beneficial owners who are PRC residents. Furthermore, we have no control over any of our future beneficial owners and we cannot assure you that such PRC residents will be able to complete the necessary approval and registration procedures required by the individual foreign exchange rules.

It is uncertain how the individual foreign exchange rules will be interpreted or enforced and whether such interpretation or enforcement will affect our ability to conduct foreign exchange transactions. Because of this uncertainty, we cannot be sure whether the failure by any of our PRC resident stockholders to make the required registration will subject our PRC subsidiaries to fines or legal sanctions on their operations, delay or restriction on repatriation of proceeds of this offering into the PRC, restriction on remittance of dividends or other punitive actions that would have a material adverse effect on our business, results of operations and financial condition.

We may be exposed to liabilities under the Foreign Corrupt Practices Act and Chinese anti-corruption laws, and any determination that we violated these laws could have a material adverse effect on our business.

We are subject to the Foreign Corrupt Practice Act, or FCPA, and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. persons and issuers as defined by the statute, for the purpose of obtaining or retaining business. We have operations, agreements with third parties, and make most of our sales in China. The PRC also strictly prohibits bribery of government officials. Our activities in China create the risk of unauthorized payments or offers of payments by the employees, consultants, sales agents, or distributors of our Company, even though they may not always be subject to our control. It is our policy to implement safeguards to discourage these practices by our employees. However, our existing safeguards and any future improvements may prove to be less than effective, and the employees, consultants, sales agents, or distributors of our Company may engage in conduct for which we might be held responsible. Violations of the FCPA or Chinese anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results, and financial condition. In addition, the U.S. government may seek to hold our Company liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

If we become directly subject to the recent scrutiny, criticism and negative publicity involving U.S.-listed Chinese companies, we may have to expend significant resources to investigate and resolve the matter, which could harm our business operations, stock price, and reputation and could result in a loss of your investment in our stock, especially if such matter cannot be addressed and resolved favorably.

Recently, U.S. public companies that have substantially all of their operations in China, particularly companies like us which have completed so-called reverse merger transactions, have been the subject of intense scrutiny, criticism and negative publicity by investors, financial commentators and regulatory agencies, such as the SEC. Much of the scrutiny, criticism and negative publicity has centered around financial and accounting irregularities and mistakes, a lack of effective internal controls over financial accounting, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result of the scrutiny, criticism and negative publicity, the publicly traded stock of many U.S. listed Chinese companies has sharply decreased in value and, in some cases, has become virtually worthless. Many of these companies are now subject to shareholder lawsuits and SEC enforcement actions and are conducting internal and external investigations into the allegations. It is not clear what effect this sector-wide scrutiny, criticism and negative publicity will have on our Company, our business and our stock price. If we become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we will have to expend significant resources to investigate such allegations and/or defend our company. This situation will be costly and time consuming and distract our management from growing our Company.

The disclosures in our reports and other filings with the SEC and our other public pronouncements are not subject to the scrutiny of any regulatory bodies in the PRC. Accordingly, our public disclosure should be reviewed in light of the fact that no governmental agency that is located in China where substantially all of our operations and business are located have conducted any due diligence on our operations or reviewed or cleared any of our disclosure.

We are regulated by the SEC and our reports and other filings with the SEC are subject to SEC review in accordance with the rules and regulations promulgated by the SEC under the Securities Act and the Exchange Act. Unlike public reporting companies whose operations are located primarily in the United States, however, substantially all of our operations are located in China. Since substantially all of our operations and business takes place in China, it may be more difficult for the staff of the SEC to overcome the geographic and cultural obstacles that are present when reviewing our disclosure. These same obstacles are not present for similar companies whose operations or business take place entirely or primarily in the United States. Furthermore, our SEC reports and other disclosure and public pronouncements are not subject to the review or scrutiny of any PRC regulatory authority. For example, the disclosure in our SEC reports and other filings are not subject to the review of the China Securities Regulatory Commission, a PRC regulator that is tasked with oversight of the capital markets in China. Accordingly, you should review our SEC reports, filings and our other public pronouncements with the understanding that no local regulator has done any due diligence on our company and with the understanding that none of our SEC reports, other filings or any of our other public pronouncements has been reviewed or otherwise been scrutinized by any local regulator.

Risks Related to the Market for Our Securities

Our common stock is quoted on the OTC market, which may have an unfavorable impact on our stock price and liquidity.

Our common stock is quoted on the OTC market. The OTC market is a significantly more limited market than the New York Stock Exchange or NASDAQ. The quotation of our shares on the OTC market may result in a less liquid market available for existing and potential stockholders to trade shares of our common stock, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future. We plan to list our common stock as soon as practicable. However, we cannot assure you that we will be able to meet the initial listing standards of any stock exchange, or that we will be able to maintain any such listing.

We are subject to penny stock regulations and restrictions, and you may have difficulty selling shares of our common stock.

The SEC has adopted regulations which generally define so-called "penny stocks" to be an equity security that has a market price less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exemptions. Our common stock is a "penny stock" and is subject to Rule 15g-9 under the Exchange Act, or the Penny Stock Rule. This rule imposes additional sales practice requirements on broker-dealers that sell such securities to persons other than established customers and "accredited investors" (generally, individuals with a net worth in excess of $1,000,000 or annual incomes exceeding $200,000, or $300,000 together with their spouses). For transactions covered by Rule 15g-9, a broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to sale. As a result, this rule may affect the ability of broker-dealers to sell our securities and may affect the ability of purchasers to sell any of our securities in the secondary market, thus possibly making it more difficult for us to raise additional capital.

For any transaction involving a penny stock, unless exempt, the rules require delivery, prior to any transaction in penny stock, of a disclosure schedule prepared by the SEC relating to the penny stock market. Disclosure is also required to be made about sales commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements are required to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stock.

There can be no assurance that our common stock will qualify for exemption from the Penny Stock Rule. In any event, even if our common stock were exempt from the Penny Stock Rule, we would remain subject to Section 15(b)(6) of the Exchange Act, which gives the SEC the authority to restrict any person from participating in a distribution of penny stock, if the SEC finds that such a restriction would be in the public interest.

If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, our management is required to report upon the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with these requirements and with the requirements of being a reporting company under the Exchange Act, we intend to implement additional financial and management controls, reporting systems and procedures, and we may hire additional accounting and finance staff. If we are unable to conclude that our internal control over financial reporting is effective, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We do not intend to pay dividends for the foreseeable future.

For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business, and we do not anticipate paying any cash dividends on our common stock. Accordingly, investors must be prepared to rely on sales of their common stock after price appreciation to earn an investment return, which may never occur. Investors seeking cash dividends should not purchase our common stock. Any determination to pay dividends in the future will be made at the discretion of our Board of Directors and will depend on our results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our board deems relevant.

Fulfilling our obligations incident to being a public company, including with respect to the requirements of and related rules under the Sarbanes-Oxley Act of 2002, is expensive and time-consuming, and any delays or difficulties in satisfying these obligations could have a material adverse effect on our future results of operations and our stock price.

As a public company, the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC require us to implement various corporate governance practices and adhere to a variety of reporting requirements and complex accounting rules. Compliance with these public company obligations requires us to devote significant time and resources and places significant additional demands on our finance and accounting staff and on our financial accounting and information systems. Other expenses associated with being a public company include increased auditing, accounting and legal fees and expenses, investor relations expenses, increased directors' fees and director and officer liability insurance costs, registrar and transfer agent fees and listing fees, as well as other expenses.

We are required under the Sarbanes-Oxley Act of 2002 to document and test the effectiveness of our internal control over financial reporting. In addition, we are required under the Exchange Act to maintain disclosure controls and procedures and internal control over financial reporting. Any failure to maintain effective controls or implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results, or cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal control over financial reporting, investors could lose confidence in the reliability of our financial statements. This could result in a decrease in the value of our common stock. Failure to comply with the Sarbanes-Oxley Act of 2002 could potentially subject us to sanctions or investigations by the SEC or other regulatory authorities.

Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and related SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the public markets and public reporting. Our management team will need to invest significant management time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

Provisions in our charter documents and under Nevada law could discourage a takeover that stockholders may consider favorable.

Provisions in our articles of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our Board of Directors has the right to determine the authorized number of directors and to elect directors to fill a vacancy created by the expansion of the Board of Directors or the resignation, death, or removal of a director, which prevents stockholders from being able to control the size of or fill vacancies on our Board of Directors. In addition, we are authorized to issue up to 1,000,000,000 shares of common stock, in one or more classes or series as may be determined by our Board of Directors. The issuance of shares of common stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, a majority of our outstanding voting stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

The Company is not required to provide the information required by this Item because the Company is a smaller reporting company.

ITEM 1C. CYBERSECURITY

The Company has adopted a cybersecurity policy (the "Cybersecurity Policy") governing the establishment and application of certain procedures and safeguards to identify potential cybersecurity risks and, in the event of a cybersecurity breach, the protocol for disclosing to the Securities and Exchange Commission, including possible remedies. The members of the Board of Directors reviews cybersecurity risk as part of our overall risk-management program. This ensures that cybersecurity risk management remains a meaningful priority in our business strategy and operations. Our risk management strategy for cybersecurity generally includes:

1. *Identification*: We aim to proactively identify the manners in which our business could be materially impacted by cybersecurity risks including:

    1. Cybersecurity Incidents - an unauthorized occurrence on or conducted through its information system that jeopardizes the confidentiality, integrity, or availability of its information systems or any information residing therein

    2. Cybersecurity Threats - any potential occurrence that may result in an unauthorized effort to adversely affect the confidentiality, integrity, or availability of its information systems or any information residing therein.

2. *Assessment*: We periodically assess our risks relating to cybersecurity threats, including risks relating to our reliance on third parties. In so doing, we consider the likelihood and impact that could result from the manifesting of such risks, together with the sufficiency of existing policies, procedures, systems, and safeguards in place to manage such risks, together with the sufficiency of existing policies, procedures, systems, and safeguards in place to manage such risks, including evaluating and if available obtaining cyber liability insurance, and aligning such cyber-risk management policies with the Company's business needs by integrating cyber-risk analysis into significant business decisions.

3. *Management*: If deemed appropriate, we design and implement reasonable safeguards to address any identified gaps in our existing processes and procedures, including annual cybersecurity awareness training emphasizing the use of strong passwords on all systems and aligning cyber-risk management policies with the Company's needs by integrating cyber-risk analysis into significant business decisions and ensuring that the Company's organization structure supports such cybersecurity goals.

4. *Evaluation*: If a cybersecurity breach occurs, the Board of Directors and/or the Audit Committee will determine whether the incident or threat is "material" (.i.e. is there a substantial likelihood that a reasonable shareholder would consider it important in making an investment decision or if it would have significantly altered the "total mix" of information made available?), assessing among other factors potential or actual financial impacts, reputational damage, and operational disruptions.

5. *Report*: Establish and monitor an incident response approach requiring our Chief Financial Officer to report to us, the full Board of Directors, and legal counsel any cybersecurity concerns or events.

6. *Disclosure*: To ensure compliance with SEC requirements and maintain overall stakeholder confidence in the Company, all material and known facts regarding the cybersecurity breach will be recorded, including their nature, scope, and financial implications; and a Form 6-K will be prepared and filed within four (4) business days after the determination that a "material" cybersecurity incident has occurred.

We presently do not engage third parties to assist with evaluating the effectiveness of our risk-management and cybersecurity practices. The Company did not have any material cybersecurity breaches during the fiscal year ended September 30, 2025.

As soon as the Board of Directors authorizes the creation of an audit committee comprised of our three independent non-executive directors, and adoption of an audit committee charter, the Audit Committee will be the governance body involved in, and ultimately responsible for, cybersecurity oversight. They will generally coordinate with our Chief Financial Officer in this regard. If needed, the full Board would be updated on cybersecurity risks and incidents. As of the date of this Annual Report, none of the members of the Board of Directors or any of our directors on the Audit Committee or our Chief Financial Officer have particular experience in cybersecurity matters. See "Item 10. Directors, Executive Officers and Corporate Governance - Committees of the Board of Directors."

ITEM 2. PROPERTIES

All land in China is owned by the State. Individuals and companies are permitted to acquire rights to use land or land use rights for specific purposes. In the case of land used for industrial purposes, the land use rights are granted for a certain period of no more than 50 years. This period may be renewed at the expiration of the initial and any subsequent term. Granted land use rights are transferable and may be used as security for borrowings and other obligations. We do not own or have not been granted land use rights to any property in China or any other countries.

Owned Real Property

Neither our Company, the VIE, nor any of the VIE's subsidiaries owns any real property.

Leased Real Property

King Eagle (China) and Chengdu Wenjiang entered into multiple lease arrangements in Beijing, the PRC, for their office spaces which they believe are adequate and suitable for their current operations:

Entity	Description of Use	Leased Square Meters	Location
King Eagle (China)	Office space	80	Chaoyang District, Beijing, PRC
Chengdu Wenjiang	Office space	92	Wenjiang District, Chengdu, PRC

ITEM 3. LEGAL PROCEEDINGS

Other than ordinary routine litigation (in which we are not currently involved), we know of no material, existing or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceeding or pending litigation, and there are no proceedings in which any of our directors, officers, or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our Company.

ITEM 4. MINE SAFETY DISCLOSURES

The information required by Item 4 is not applicable to us, as we have no mining operations in the United States.

Part II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock was quoted on the OTCBB from November 3, 2017 under the designation "CXKJ" until November 8, 2021 when the OTCBB was discontinued and our stock commenced trading on the OTC Pink Sheets. On November 9, 2022, our trading symbol was changed to "KPEA" and on November 14, 2022, our common stock commenced trading on the OTCQB. However, our common stock has not been traded on the OTC market except on a limited and sporadic basis and there is no assurance that a regular public trading market will ever develop. OTC market securities are not listed and traded on the floor of an organized national or regional stock exchange. Instead, OTC market securities transactions are conducted through a telephone and computer network connecting dealers. OTC market issuers are traditionally smaller companies that do not meet the financial and other listing requirements of a regional or national stock exchange.

Price Range of Common Stock

The following table shows, for the periods indicated, the high and low bid prices per share of our post-split common stock as reported by the OTC Markets, Inc. These bid prices represent prices quoted by broker-dealers on the OTCQB quotation service. The quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commissions, and may not represent actual transactions.

	High(1)	Low(1)
Fiscal Year 2024		
First quarter ended December 31, 2023	$ 0.145	$ 0.145
Second quarter ended March 31, 2024	$ 0.1142	$ 0.1142
Third quarter ended June 30, 2024	$ 0.109	$ 0.1088
Fourth quarter ended September 30, 2024	$ 0.125	$ 0.125
Fiscal Year 2025		
First quarter ended December 31, 2024	$ 0.080	$ 0.080
Second quarter ended March 31, 2025	$ 0.10	$ 0.10
Third quarter ended June 30, 2025	$ 0.0660	$ 0.0660
Fourth quarter ended September 30, 2025	$ 0.0777	$ 0.777

(1) Derived from https://www.nasdaq.com/market-activity/stocks/kpea/historical.

Holders

As of September 30, 2025, there were 24 registered holders of record of our common stock.

Dividends

We have not paid dividends on our common stock and do not anticipate paying such dividends in the foreseeable future. We will rely on dividends from our PRC operating entity for our funds and PRC regulations may limit the amount of funds distributed to us from our PRC operating entity, which will affect our ability to declare any dividends.

Stock Option and Warrant Grants

We have no stock options or warrants granted to our executives, employees, vendors, consultants, or any other parties as of the reporting date.

Registration Rights

We have not granted anyone any registration rights.

Securities Authorized for Issuance under Equity Compensation Plans

As of September 30, 2025, the Company has not adopted any equity compensation plan.

Penny Stock Regulations

Our shares of common stock are subject to the "penny stock" rules of the Securities Exchange Act of 1934 and various rules under that Act. In general terms, "penny stock" is defined as any equity security that has a market price less than $5.00 per share, subject to certain exceptions. The rules provide that any equity security is considered to be a penny stock unless that security is registered and traded on a national securities exchange meeting specified criteria set by the SEC, issued by a registered investment company, and excluded from the definition on the basis of price (at least $5.00 per share), or based on the issuer's net tangible assets or revenues. In the last case, the issuer's net tangible assets must exceed $3,000,000 if in continuous operation for at least three years or $5,000,000 if in operation for less than three years, or if the issuer's average revenues for each of the past three years exceeds $6,000,000.

Trading in shares of penny stock is subject to additional sales practice requirements for broker-dealers who sell penny stocks to persons other than established customers and accredited investors. Accredited investors, in general, include individuals with assets in excess of $1,000,000 or annual income exceeding $200,000 (or $300,000 together with their spouse), and certain institutional investors. For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of the security and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the security. Finally, monthly statements must be sent disclosing recent price information for the penny stocks. These rules may restrict the ability of broker-dealers to trade or maintain a market in our common stock to the extent that it is penny stock, and may affect the ability of shareholders to sell their shares.

Rule 144

In general, under Rule 144 a person, or persons whose shares are aggregated, who is not deemed to have been one of our affiliates at any time during the 90 days preceding a sale and who has beneficially owned shares of our common stock for at least six months, including the holding period of any prior owner except if the prior owner was one of our affiliates, would be entitled to sell all of their shares, provided that current public information about our company is available.

Sales under Rule 144 also may be subject to manner of sale provisions and notice requirements and to the availability of current public information about our Company. Any substantial sale of common stock pursuant to any resale registration statement or Rule 144 may have an adverse effect on the market price of our common stock by creating an excessive supply.

Because we were a shell company with no operations prior to the close of the 2018 Share Exchange, sales of our shares were required to be compliant with Rule 144(i). Pursuant to Rule 144(i), none of our shares of common stock could be sold under Rule 144 until March 2019, which was 12 months after we filed the current report on Form 8-K reporting the closing of the 2018 Share Exchange. Additionally, stockholders could not sell our shares pursuant to Rule 144 unless, at the time of the sale, we had filed with the SEC all reports, other than reports on Form 8-K, required under the Exchange Act for the preceding 12 months.

Recent Sales of Unregistered Securities

Information regarding any equity securities we have sold within the past three years that were not registered under the Securities Act of 1933, as amended (the "Securities Act"), is set forth below. Each such transaction was exempt from the registration requirements of the Securities Act by virtue of the provisions of Regulation S ("Regulation S"), which was adopted by the Securities and Exchange Commission (the "SEC") under the Securities Act. Unless stated otherwise: (i) the securities were offered and sold only to non-US Persons, as defined in Regulation S.

On May 17, 2021, we entered into a share exchange agreement ("Share Exchange Agreement") with (i) KP International Holding, a limited liability company incorporated in the British Virgin Islands on April 20, 2021; and (ii) the five members of KP International Holding to acquire all the issued and capital stock of KP International Holding in exchange for the issuance to those members of an aggregate of 34,158,391 shares of our common stock ("Reverse Acquisition"). Pursuant to the terms of the Exchange Agreement, and as a condition to the completion of the transactions contemplated by the Share Exchange Agreement, the Company also agreed to enter into an agreement with Wenhai Xia ("the Stockholder"), to cancel an aggregate of 15,535,309 shares of the Company's common stock owned by the Stockholder. The Reverse Acquisition was closed on May 17, 2021. None of the KP International Holding stockholders was a U.S. Person (as that term is defined in Regulation S of the Securities Act of 1933) and KP International Holding acquired our shares in the Reverse Merger outside of the United States.

In issuing these securities to KP International Holding's stockholders, we relied upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering, and/or Regulation S promulgated by the SEC. Among other things, the offer or sale was made in an offshore transaction and no directed selling efforts were made in the United States by the issuer, a distributor, any of their respective affiliates, or any person acting on behalf of any of the foregoing. In addition, each of the recipients of the shares certified that he/she/it was not a U.S. Person, as defined in Regulation S, and was not acquiring the securities for the account or benefit of any U.S. Person, agreed to resell such securities only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration, and agreed not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview of the Business

Due to global health issues and the COVID-19 pandemic, people have increased their health and nutrition consciousness. We believe preventive care is the most effective investment in health.

To promote awareness of preventive care among the people in the PRC, we developed and launched our mobile platform, King Eagle Mall, in July 2020, an online platform, Kun Zhi Jian, in October 2022, and Kun Zhi Jian Mini Program in November 2023.

King Eagle Mall

King Eagle Mall is a mobile social e-commerce platform launched in July 2020 that promotes preventive health care products and services. It adopts the S2B2C business model and integrates many major health care products and services. We focus on health-related products and services. Kun Zhi Jian and Kun Zhi Jian Mini Program are designed to enable health-related products to be sold by us and by third parties. King Eagle Mall's products are divided into two sectors: self-operated products and selected products which promote preventive health care. Our team screens and examines products that are and will be offered both by us and by affiliated merchants. Our major products include health care products such as dietary supplements, nutritional health foods, beauty cosmeceuticals, and other categories of health foods (for instance, milk powder, dried fruits) for supporting the cardiovascular system and bone joint health. We also offer collagen peptides, probiotics, and health foods for improving blood circulation and vein health, as well as household products that can promote and improve a healthier lifestyle for our members. We receive customer orders and may arrange fulfillment through our merchants who are responsible for delivery or we may fulfill customer orders through our outsourced networks. As of September 30, 2025, King Eagle Mall had approximately 15,858 members.

We also operate customer service centers with whom our members can communicate directly for any assistance related to product purchases, suggestions for health care products and services, and delivery logistics.

Kun Zhi Jian and Kun Zhi Jian Mini Program

In October 2022, we introduced and implemented an online platform, Kun Zhi Jian. In its initial phase of operation, we focused on selling a thermal therapy cabin to wholesalers. Currently, we promote and sell physiotherapy equipment products and our own brand, as well as other popular brands, of preventive health care related products. In November 2023 we also launched the Kun Zhi Jian Mini Program, which is composed of three main areas: physiotherapy cabin, a customer service center, and an online shopping mall (Kun Zhi Jian). We coordinate with local health service providers and leverage their health care expertise and technology to provide health screening and consulting services to our customers and members at the Kun Zhi Jian customer service center. Based on their health condition, we provide nutritional consulting services and offer suggestions for our preventive health care products. As of September 30, 2025, our online platform had approximately 8,745 members.

Cash Transfers Within our Organization

As between the Company and its subsidiaries, cash will generally be transferred by means of capital contributions and/or interest-free intercompany loans. Cash to be transferred or settled between the Company and its subsidiaries, on the one hand, and the consolidated VIE and its subsidiaries, on the other hand, will typically be transferred through payments for fees under our contractual arrangements with the VIE, expense reimbursements, or intercompany borrowings between the Company or one of its subsidiaries and the consolidated VIE. Any such loans will be interest-free, unsecured and payable on demand. For more information regarding these contractual arrangements, see "Item 1. Business - Corporate History and Structure - Contractual Arrangements." The enforceability and treatment of the intercompany agreements within our organization, including intercompany borrowings and the contractual arrangements with our VIE, have not been tested in court. To the extent cash and/or assets in the business are in the PRC and/or Hong Kong or our PRC and/or Hong Kong entities, such funds and/or assets may not be available to fund operations or for other use outside of the PRC and/or Hong Kong due to interventions in or the imposition of restrictions and limitations imposed by the PRC government on the ability of the Company or its subsidiaries to transfer cash and/or assets. There are no tax consequences for intercompany borrowings or the payment for intercompany services, except for the standard value added taxes and/or income taxes for the revenues and/or profits generated from such services.

The proceeds of any transactions within our organization, including with the VIE and its subsidiaries, are eliminated in our consolidated financial statements. For more details, please refer to the principles of consolidation set forth in the notes to our Consolidated Financial Statements for the fiscal year ended September 30, 2025 included in this Annual Report.

As of the date of this Annual Report, there have been no distributions or dividends by any of our direct or indirect subsidiaries to the Company. The Company has not declared any dividends or made any distributions to its shareholders, and we do not anticipate declaring a dividend in the foreseeable future. No assets other than cash are transferred within our organization. For more details, please see our “Consolidated Financial Statements” and the “Condensed Consolidating Schedule” on page 15.

Financial Operations Overview

Results of Operations for the fiscal years ended September 30, 2025 and 2024

	For the years ended September 30			
	2025		2024	
	Amount	% of revenue	Amount	% of revenue
Revenues	$ 1,438,127	100.0%	$ 2,078,741	100.0%
Cost of revenues	479,832	33.4	605,638	29.1
Gross profit	958,295	66.6	1,473,103	70.9
Operating expenses:				
General and administrative expenses	1,551,451	107.9	1,818,877	87.5
Selling expense	1,186,554	82.5	1,655,024	79.6
Total operating expenses	2,738,005	190.4	3,473,901	167.1
Loss from operations	(1,779,710)	(123.8)%	(2,000,798)	(96.3)%
Other income, net	510,797	35.6	11,538	0.6
Loss before income taxes	(1,268,913)	(88.2)	(1,989,260)	(95.7)
Income tax expense	-	0.0	2,487	0.1
Net loss	$ (1,268,913)	(88.2)%	$ (1,991,747)	(95.8)%

Revenues

For the years ended September 30, 2025 and 2024, revenues amounted to $1,438,127 and $2,078,741, respectively.

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

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

We recognize our revenue on a gross basis, net of sub-charges and value-added tax (“VAT”) on gross sales.

In addition to revenue from retail and wholesale sales, we have developed the following sources of revenue: (i) equipment-based service revenue, generated through providing cards for online medical consultation services and selling prepaid cards to our customers for use with card-operated health screening equipment located at the Kun Zhi Jian Customer Service Center; (ii) technical service revenue, generated through promoting vendors’ products or businesses on our online platform; (iii) commission revenue, generated through the Mini Program by selling health care instruments on behalf of third parties on a commission basis; and (iv) training revenue, generated through offering training programs provided by a local health care service team.

We recognize equipment-based service revenue upon the completion of medical consultation services and consuming the prepaid cards. We recognize technical service revenue upon the completion of promoting vendors’ products or businesses on our platform. We recognize commission revenue upon the completion of delivery of the sales order to the end customer. We recognize training revenue upon the completion of training sessions by our customers.

We generated $640,614, or 30.8%, lower revenue for the year ended September 30, 2025 compared to the same period in 2024 due to the substantially sharp decrease in retail that resulted from economic uncertainty and a downward trend in consumption. We had no wholesale revenue, technical service revenue, commission revenue, or training revenue, resulting from the termination of two subsidiaries of the VIE businesses and related business streams during the year ended September 30, 2025. However, our equipment-based service revenue increased as a result of market promotions on equipment-based services during the year ended September 30, 2025.

Cost of revenue

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

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

Our cost of revenue for the year ended September 30, 2025 was $479,832, a $125,806, or 20.8%, decrease over our cost of revenue for the year ended September 30, 2024 of $605,638. Our cost of revenue primarily consisted of the purchase of consumer health care and health related household products from our suppliers and payments related to maintaining health screening equipment. For the year ended September 30, 2024, we also had payments of training fees and related reimbursements to our third-party trainers; however, no such costs were incurred during the year ended September 30, 2025 due to the cessation of the related business. We made our retail product sales through our King Eagle Mall, Kun Zhi Jian and our Kun Zhi Jian Mini Program. We also offered equipment-based services through the Kun Zhi Jian Mini Program. We pay an equipment-based service fee that includes a prepaid card activation fee and a technical support fee.

During the year ended September 30, 2025, our cost of revenue decreased in line with the decrease in revenue as a result of the termination of two subsidiaries' businesses.

Gross profit

	For the years ended September 30,	
	2025	2024
Retail	$ 372,464	$ 1,048,246
Wholesale	-	1,012
Equipment-based service revenue	585,831	370,824
Technical service revenue	-	36,027
Commission revenue	-	2,954
Training revenue	-	14,040
Total	$ 958,295	$ 1,473,103

For the years ended September 30, 2025 and 2024, our overall gross profit and margin was $958,295, or 66.6%, and $1,473,103, or 70.9%, respectively.

For the years ended September 30, 2025 and 2024, the gross profit and margin for our retail business amounted to $372,464, or 74.4%, and $1,048,246, or 76.3%, respectively. The decrease in our gross profit and margin for our retail business for the year ended September 30, 2025 as compared to the year ended September 30, 2024 was primarily due to economic uncertainty and a downward trend in consumption. Additionally, we had no earn gross profit from wholesale revenue, technical service revenue, commission revenue, and training revenue, as a result of the termination of two of King Eagle VIE's subsidiaries' businesses and the cessation of the related business streams during the year ended September 30, 2025. For the years ended September 30, 2025 and 2024, the gross profit and margin for our equipment-based services business amounted to $585,831, or 62.5%, and $370,824, or 58.8%, respectively. The increase in our gross profit and margin for our equipment-based services business for the year ended September 30, 2025 as compared to the year ended September 30, 2024 was primarily attributable to the Company's strategic focus on equipment-based services and the implementation of expanded promotional initiatives.

Operating Expenses

Our operating expenses consist of general and administrative expenses and selling expenses. For the years ended September 30, 2025 and 2024, our total operating expenses were $2,738,005 and $3,473,901, respectively. The decrease in operating expenses for the year ended September 30, 2025 compared to the same period in 2024 was primarily due to a decrease of $267,426 in general and administrative expenses and a decrease of $468,470 in selling expenses.

General and administrative expenses

General and administrative expenses for the years ended September 30, 2025 and 2024 were $1,551,451 and $1,818,877, respectively. The decrease in general and administrative expenses during the year ended September 30, 2025 by $267,426 was chiefly due to a decrease in office rent and building management of $93,515, a decrease in meals and entertainment of $148,628, and a decrease in travel, transportation, and gasoline of $80,405. These expenses declined as a result of the deregistration of two subsidiaries during the year ended September 30, 2025. The declines were offset by the increase in professional service fee of $83,031, that resulted from increased local audit fee and attorney's fee.

Our general and administrative expenses for the years ended September 30, 2025 and 2024 were comprised of the following:

	For the years ended September 30,	
	2025	2024
Employee compensation and benefit	$ 648,864	$ 634,873

Rent fee and building management	216,317	309,832
Office supplies and meeting	22,831	41,312
Professional services fee	512,481	429,450
Business registration	2,140	6,617
Travel, transportation and gasoline	41,525	121,930
Meals and entertainment	22,588	171,216
Impairment of goodwill	-	8,412
Depreciation and amortization	50,522	72,718
Repair and maintenance	-	625
Others	34,183	21,892
Total	$ 1,551,451	$ 1,818,877

Selling expenses

Our selling expenses for the years ended September 30, 2025 and 2024, were $1,186,554 and $1,655,024, respectively. The $468,470 decrease was primarily due to a decrease in service agent costs of $394,394 and a decrease in office supplies and meeting of $88,877, which were offset by increases in advertising of $12,033 and depreciation and amortization of $11,294. Service agent costs and expenses for office supplies and meetings declined as a result of the deregistration of two subsidiaries, whereas we bought several pieces of health care equipment for promotional activities to develop our equipment-based business during the year ended September 30, 2025.

Our selling expenses included the following:

	For the years ended September 30,	
	2025	2024
Service agents	$ 708,637	$ 1,103,031
Employee compensation and benefits	278,483	288,193
Rental for sales stores	7,626	-
Office supplies and meetings	83,257	172,134
Travel, transportation, and gasoline	36,857	42,156
Meals and entertainment	4,888	6,031
Depreciation and amortization	40,027	28,733
Advertising	26,779	14,746
Total	$ 1,186,554	$ 1,655,024

Other income, net

Other income primarily included bank interest income, government grants, equity in net losses and foreign exchange gain or loss. Our other net income for the fiscal years ended September 30, 2025 and 2024 was $510,797 and $11,538, respectively. During the fiscal years ended September 30, 2025 and 2024, we recognized government grants of nil and $31,925, respectively. Our Company recognized $36,118 and $12,426 equity in net losses for the years ended September 30, 2025 and 2024. Besides, we recognized a $147,579 gain on the disposal of a subsidiary, King Eagle (Hangzhou) as well as $501,575 waiver of debt and $132,552 other expense by the liquidation of assets and liabilities during the deregistration for two of the VIE's subsidiaries, King Eagle (Huai'an) and Kun Zhi Jian (Huai'an), for the year ended September 30, 2025.

Other income, net included the following:

	For the fiscal years ended September 30,	
	2025	2024
Interest expense for finance lease	$ 2,921	$ 6,253
Equity in net losses	36,118	12,426
Exchange loss and others	132,552	1,708
Other expense	171,591	20,387
Government grants	-	31,925
Gain on disposal of subsidiary	147,579	-
Waiver of debt	501,575	-
Exchange gain and others	33,234	-
Other income	682,388	31,925
Other income, net	$ 510,797	$ 11,538

Income tax expense

For the years ended September 30, 2025 and 2024, the income tax expense of the Company was $nil and $2,487, respectively. During the year ended September 30, 2024, Kun Zhi Jian (Huai'an) realized income of $64,116 and we recognized an income tax expense in accordance with the PRC's statutory income tax rate of 25%.

Net Loss

As a result of the factors discussed above, for the fiscal years ended September 30, 2025 and 2024, our net loss amounted to $1,268,913 and $1,991,747, respectively.

Liquidity and Capital Resources

As of September 30, 2025 and September 30, 2024, we had cash and cash equivalents balances of $26,284 and $82,184, respectively.

For the year ended September 30, 2025, net cash used in operating activities totaled $208,156. Operating cash outflow was mainly attributable to our net loss of $1,268,913 and a decline in amounts due to related parties of $2,128,515, offset by an increase in trade and other payables of $3,588,847.

For the year ended September 30, 2024, net cash provided by operating activities totaled $17,880. Operating cash inflow was mainly attributable to an increase in trade payable from related party of $2,297,676, other payable from related party of $3,000,802, other payable and accrual of $80,411 and inventory of $93,335, mostly offset by our net loss of $1,991,747, a decrease in trade payable of $1,802,456 and advances from customers of $1,607,612.

Net cash provided by investing activities totaled $13,679 and was related to the disposal of property, plant, and equipment during the year ended September 30, 2025.

Net cash used in investing activities totaled $348,998 and was related to purchase of property, plant and equipment of $320,498 and long-term investment in associate held for sale of $28,500 during the year ended September 30, 2024.

Net cash provided by financing activities totaled $72,467 and was related to capital contribution of $173,310 and proceeds from bank borrowings of $98,718, offset by the payment of finance lease liabilities of $199,561 during the year ended September 30, 2025.

For the year ended September 30, 2024, net cash used in financing activities totaled $54,769 and mainly attribute to payment of finance lease liabilities of $125,291, offset by capital contribution of $70,522.

For the year ended September 30, 2025, the effect of exchange rate change on cash totaled $66,110. The resulting change in cash for the period was a decrease of $55,900.

For the year ended September 30, 2024, the effect of exchange rate change on cash totaled $10,491. The resulting change in cash for the period was a decrease of $375,396.

	For the years ended September 30,	
	2025	2024
Net cash (used in) provided by operating activities	$ (208,156)	$ 17,880
Net cash provided by (used in) investing activities	13,679	(348,998)
Net cash provided by (used in) financing activities	72,467	(54,769)
Effect of exchange rate change on cash	66,110	10,491
Total net change in cash and cash equivalents	$ (55,900)	$ (375,396)

The following table sets forth a summary of changes in our working capital as of September 30, 2025 and 2024:

	September 30,	
	2025	2024
Current Assets	$ 499,447	$ 548,518
Current Liabilities	8,994,644	8,546,420
	$ (8,495,197)	$ (7,997,902)

We require cash of approximately $8.2 million within the next twelve months, primarily related to third-party vendor payables and related-party payables. As of September 30, 2025, we had received customer advances in the amount of approximately $0.3 million. We anticipate that the majority of the revenue will be recognized in fiscal year 2026. Management has agreed that the amount received is non-refundable. However, this term is not bound by any agreement. Therefore, the customers may have the right to challenge and demand the advances be refunded under relevant Commercial Laws or regulations. Additionally, we had an approximately $0.3 million commitment related to purchase and service agreements as of September 30, 2025. See "Contractual Obligations and Other Commitments" on page 78.

In an effort to support and maintain our financial position and operations, to fulfill our contractual commitments, and to meet the demands from our customers for refund of their advance payments, the Company focused on increasing its revenue through its online platform. We are also actively seeking loans from banks. Simultaneously, our directors and stakeholders continue to support our operation financially. We believe that such measures will improve our liquidity in the next twelve months. If we are not able to increase revenue or obtain any financing, we may be unable to continue as a going concern.

Going Concern Consideration

The financial statements included in this Annual Report have been prepared in conformity with accounting principles generally accepted in the United States of America which contemplate continuation of the Company as a going concern. The going-concern basis assumes that assets are realized and liabilities are extinguished in the ordinary course of business at amounts disclosed on the financial statements. The Company's ability to continue as a going concern depends on the liquidation of its current assets. For the year ended September 30, 2025, the Company experienced cash outflows from operating activities of $208,156, incurred a net loss of $1,268,913, and had negative working capital of $8,495,197. These conditions raise substantial doubt about the ability of the Company to continue as a going concern.

The Company continues to monitor its operations to help refine its financial liquidity. Options under consideration in the review process include, but are not limited to, increase of sales through the Company's online business, reduction of overhead costs, fund advance from the Company's stockholders and directors, or financing through the issuance of shares. The Company has been focusing on increasing its revenue through its online platform and trimming its overhead costs. For example, it reduced lease payments and decreased office supplies expense. In order to continue as a going concern for the next 12 months, the Company is focusing on promoting and selling its own brand of preventive health care products to wholesalers, streamlining its overhead costs, and obtaining financing or capital funding from its stockholders or directors or through bank financing. However, the Company cannot provide any assurance that it will be able to increase revenue or successfully implement its business plan, or that financing will be available to it on commercially acceptable terms, or at all. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern. The directors will continue to support the group by providing adequate financial assistance to enable the group to continue its business operations for the foreseeable future.

Contractual Obligations and Other Commitments

We had the following contractual obligations and commercial commitments as of September 30, 2025:

	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years	Total
Contractual Obligations:					
Operating lease obligations	$ 52,017	$ 34,006	$ -	$ -	$ 86,023
Finance lease obligations	75,765	-	-	-	75,765
Short-term borrowing	100,014	-	-	-	100,014
Purchase and service agreements	24,461	-	-	-	24,461
Total contractual obligations	$ 252,257	$ -	$ -	$ -	$ 252,257

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements, including arrangements that would affect our liquidity, capital resources, market risk support, and credit risk support or other benefits.

Future Financings

We will continue to rely on loans from our directors and major shareholders and on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of equity securities or arrange for debt or other financing to fund our operations and other activities, or if we are able, there is no guarantee that existing shareholders will not be substantially diluted.

Concentration of customers and vendors

There was no revenue from customers that individually represent greater than 10% of the Company's total revenue for the years ended September 30, 2025 and 2024.

For the year ended September 30, 2025, two major vendors accounted for 56.4% of the Company's total cost of revenues.

For the year ended September 30, 2024, four major vendor accounted for 72.0% of the Company's total cost of revenues.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates and assumptions on our own historical data and other assumptions that we believe are reasonable after taking account of our circumstances and expectations for the future based on available information. We evaluate these estimates and assumptions on an ongoing basis.

Our expectations regarding the future are based on available information and assumptions that we believe to be reasonable and accurate, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application.

The critical accounting policies, judgments and estimates that we believe to have the most significant impact on our consolidated financial statements are described below, which should be read in conjunction with our consolidated financial statements and accompanying notes and other disclosures included in this prospectus. When reviewing our financial statements, you should consider:

- our selection of critical accounting policies;
- the judgments and other uncertainties affecting the application of such policies;
- the sensitivity of reported results to changes in conditions and assumptions.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. See Note 2 to the Financial Statement Summary of Significant Accounting Policies – Use of estimate.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is not required to provide the information required by this Item because the Company is a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements are included on pages F-1 through F-39, which appear at the end of this Annual Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable. There have been no changes in or disagreements with the Company's principal independent auditors.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures.

We maintain "disclosure controls and procedures" as such term is defined in Rule 13a-15I under the Exchange Act. In designing and evaluating our disclosure controls and procedures, our management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Based on their evaluation as of the end of the fiscal year ended September 30, 2025, our chief executive officer and our chief financial officer and principal accounting manager concluded that our disclosure controls and procedures were not effective in ensuring that the information relating to our Company required to be disclosed in our Securities and Exchange Commission reports (i) is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms; and (ii) is accumulated and communicated to our management, including our chief executive officer, to allow timely decisions regarding required disclosure as a result of the material weaknesses in our internal control over financial reporting due to the existence of the following material weaknesses:

- A lack of sufficient and adequately trained internal accounting and finance personnel with appropriate understanding of U.S. GAAP and SEC reporting requirements;
- A lack of segregation of duties within significant accounts; and
- A lack of a functioning audit committee and a majority of outside directors on the Company's Board of Directors.

Management's Report on Internal Control over Financial Reporting

As of September 30, 2025, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in the 2013 updated Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, management concluded that, during the period covered by this Annual Report, such internal controls and procedures were not effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our internal controls and that are considered to be material weaknesses as described herein above. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Notwithstanding the existence of these material weaknesses in our internal control over financial reporting, our management believes that the financial statements included in its reports fairly present in all material respects the Company's financial condition, results of operations, and cash flows for the periods presented. We continue to evaluate the effectiveness of internal controls and procedures on an on-going basis. Once our cash position improves, we plan to hire an experienced controller and work to build an internal accounting team with sufficient in-house expertise in US GAAP reporting. However, due to our current limited cash flow, we cannot assure you when we will be able to implement those remediation methods.

Because we are a smaller reporting company, this Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

(b) Changes in internal controls over financial reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth fiscal quarter of the fiscal year ended September 30, 2025, covered by this report that has materially affected, or are reasonably likely to materially affect, our internal control over financial reporting other than the facts disclosed above.

ITEM 9B. OTHER INFORMATION

None.

Part III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Executive Officers and Directors

The following table and text set forth the names and ages of all directors and executive officers as of the date of this Annual Report.

There are no family relationships among our directors and executive officers. Each director is elected at our annual meeting of shareholders and holds office until the next annual meeting of shareholders, or until his successor is elected and qualified. Also provided herein are brief descriptions of the business experience of each director and executive officer during the past five years and an indication of directorships held by each director in other companies subject to the reporting requirements under the federal securities laws. None of our officers or directors is a party adverse to us or has a material interest adverse to us.

The following table sets forth certain information concerning our directors and executive officers:

Name	Age	Position
Mr. Richun Zhuang	61	Chief Executive Officer and Director
Ms. Yuanyuan Zhang	44	Chief Financial Officer
Ms. Chengyuan Li	38	Director
Ms. Lili Zhang	41	Non-Executive Independent Director
Ms. Kun Hu	44	Non-Executive Independent Director

Mr. Richun Zhuang, Chief Executive Officer and Director

Mr. Richun Zhuang obtained a Bachelor's degree in Political Studies from Heilongjiang Province National College in 1983. He started his career as a secretary at Heilongjiang Province Wangkui County Public Transport Bureau until 1989. He was promoted to the position of Deputy General of Heilongjiang Province Wangkui County Transport Management Station in 1989. He then transferred to Heilongjiang Daqing Long-distance Bus Station as Chief Dispatcher in 1991. In 2008, Mr. Zhuang was appointed as Vice President, Marketing of Wuxi Kangjiafu Technology Co., Ltd. He joined Beijing Luji Culture Media Co., Ltd as Chief Executive Officer in 2017. In June 2020, he joined King Eagle (China) as General Consultant focusing on enterprise operation and strategic planning. On May 14, 2021, Mr. Zhuang was appointed as a director of KP International Holding and, effective December 1, 2021, he was elected as the Company's Chief Executive Officer.

Ms. Yuanyuan Zhang, Chief Financial Officer

Ms. Zhang attended Beijing College of Science and Technology from which she earned a Bachelor's degree in International Finance in 2005. Ms. Zhang developed her career as a sales specialist at Fenghua Haojing Real Estate where she achieved sales of approximately RMB120 million during her tenure from September 2005 through December 2006. She then became a Sales Manager at Tianan Tiandi Real Estate Development Co., Ltd from January 2007 through March 2012. Ms. Zhang was appointed as a Marketing Director at Tongbang Real Estate Brokerage Co., Ltd for two years from April 2012 and General Manager at One Central Apartment project of Sunac Real Estate Company from May 2014 through August 2015. Thereafter, she was a General Manager at Beijing Jinfeng Venture Real Estate Brokerage and an Assistant to the Secretary General at China Association of Real Estate Investment & Financing.

In October 2017, Ms. Zhang established her own business, "Fre Flo Bread & 16." In July 2020, she became the Executive Deputy General Manager of King Eagle (China). Ms. Zhang was appointed Chief Financial Officer of the Company in April 2021.

Ms. Chengyuan Li, Director

Ms. Li earned an Associate Degree in Computer Information System at Beihua University in 2006 and a bachelor's degree in Finance at Harbin Institute of Finance in 2020. Ms. Li established her trading business in health care supplies through Wangkuihua Trading Company from September 2006 through September 2015. In September 2015, she joined Wangkui Daren Pharmaceuticals Co. Ltd as Quality Control Coordinator. In June 2020, she joined King Eagle (China) as a Business Consultant and she was appointed as a director of the Company in April 2021.

Ms. Lili Zhang, Non-Executive Independent Director

Ms. Zhang has 15 years of experience in the high-end international financial planning industry through which she has developed an expertise in private placement, asset allocation, trust, insurance, and other industries. Currently, Ms. Zhang is employed as an assistant to the president of America Great Health co-managing important issues.

From 2014 to 2020, Ms. Zhang was employed as a senior financial manager by Zhongtian Jiahua Wealth Management Co. Ltd. and for a period of 3 years with Wells Fargo Chase Asset Management Co. Ltd., providing a full range of asset allocation, trust, asset management, private equity, equity investment, overseas immigration, Hong Kong insurance, and other investment products for high-end customers. From 2012 to 2014, Ms. Zhang served as a VIP account manager in DBS Beijing Branch providing comprehensive asset allocation consulting for middle and high-end clients. Her performance in that position ranked first in the Beijing Branch and third in the Northern region in China. From 2009 to 2012, Ms. Zhang was employed at the Beijing Branch of ICBC AXA Life Insurance Co., LTD. (ICB-AXA) where her duties included assisting the company in actively fulfilling the business targets established by AXA Holding Company in France and providing customized health protection and asset preservation planning services for clients.

Ms. Zhang graduated from Nankai University in the People's Republic of China with a bachelor's degree in 2007. She currently has permanent residency in the United States and is also qualified as an insurance agent and fund practitioner in China.

Ms. Kun Hu, Non-Executive Independent Director

Ms. Hu has over twenty years of experience as a sales director with sales strategy and team management capabilities placing an emphasis on motivation and guidance to achieve sales targets and enhance brand image. Ms. Hu is proficient in market analysis and product promotion and skilled at identifying potential customers and establishing long-term cooperative relationships.

From October 2022 until present, Ms. Hu is the president of Brand Marketing of Zijing Pavilion (Beijing) Cultural Consulting Co. Ltd. Her primary duties and responsibilities are three-fold.

1. Strategic Planning and Integration Control: Ms. Hu is responsible for the formulation and core positioning of brand culture and medium-to-long term promotion strategies, aligning overall development goals, identifying industry trends, cultural hot spots and demands of target audiences, and coordinating the creation of brand cultural intellectual property.

2. Team and Resource Management: Ms. Hu manages the publicity and promotion team, clarifying assessment standards and integrating internal and external resources, including media and cooperative institutions, to establish long term and stable cooperation systems, and allocating the promotional budget while optimizing the efficiency of resource input and ensuring that input-output ratios meet company standards.

3. Comprehensive Promotion and Implementation: Ms. Hu leads the planning and implementation of online and offline promotional activities covering new media communications, competitions, exhibits, and cross-border cooperation systems, coordinates content creation and dissemination, supervises the full implementation process to ensure effectiveness, collaborates with other departments, such as product, sales and marketing, to ensure integration of brand promotion and business development, and maintains key external relations with the government, industry associations, and media, creating a favorable environment for the company's brand.

From June 2006 through September 2022, Ms. Hu was the director of program sales at the Nike Sports Camp where her duties included leading and managing the sales team, focusing on tasks which included formulating and implementing effective sales strategies, conducting market research, planning and executing promotional activities, establishing and maintaining relationships with key clients, evaluating team performance, and collaborating with cross-departmental teams to ensure seamless integration of sales activities with the marketing, product, and customer service departments.

Director Independence

Except as reported above, our directors do not hold any directorships in other reporting companies. Ms. Lili Zhang and Ms. Kun Hu qualify as "independent directors" under the Rules of NASDAQ, Marketplace Rule 4200(a)(15).

Family Relationships

There are no family relationships between any of our directors or executive officers.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation, or business association of which he or she was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his or her involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended, or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity, or organization that has disciplinary authority over its members or persons associated with a member.

Except as set forth in our discussion below in "Certain Relationships and Related Transactions," none of our directors or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates, or associates which are required to be disclosed pursuant to the rules and regulations of the Securities and Exchange Commission.

Director Qualifications

Directors are responsible for overseeing the Company's business consistent with their fiduciary duty to the stockholders. This significant responsibility requires highly skilled individuals with various qualities, attributes, and professional experience. Our Board of Directors believes that there are general requirements for service on the Board that are applicable to directors and that there are other skills and experience that should be represented on the Board as a whole but not necessarily by each director. The Board considers the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs.

Qualifications for All Directors

In its assessment of each potential candidate, including those recommended by the stockholders, the Board will consider the nominee's judgment, integrity, experience, independence, understanding of the Company's business or other related industries, and such other factors it determines are pertinent in light of the current needs of the Board. The Board also takes into account the ability of a director to devote the time and effort necessary to fulfill his or her responsibilities to the Company.

The Board requires that each director be a recognized person of high integrity with a proven record of success in his or her field. Each director must demonstrate innovative thinking, familiarity with and respect for corporate governance requirements and practices, an appreciation of multiple cultures, and a commitment to sustainability and to dealing responsibly with social issues. In addition to the qualifications required of all directors, the Board conducts interviews of potential director candidates to assess intangible qualities including the individual's ability to ask difficult questions and, simultaneously, to work collegially.

Qualifications, Attributes, Skills, and Experience to be Represented on the Board as a Whole

The Board has identified particular qualifications, attributes, skills, and experience that should be represented on the Board as a whole, in light of the Company's current needs and its business priorities. The Board believes that it should include some directors with a high level of financial literacy and some directors who possess relevant business experience as a chief executive officer, president, or similar position at a company.

Code of Ethics

We are developing a Code of Business Conduct and Ethics that applies to our principal executive officers and principal financial officer, principal accounting officer or controller, or persons performing similar functions and also to other employees.

Corporate Governance

The business and affairs of the Company are managed under the direction of our Board of Directors. Each stockholder will be given specific information on how he or she can direct communications to the officers and directors of the Company at our annual stockholders' meetings. All communications from stockholders are relayed to the members of the Board of Directors.

Role in Risk Oversight

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews periodic reports from management, legal counsel, and others, as considered appropriate, regarding our Company's assessment of risks. The Board of Directors focuses on the most significant risks facing our Company and our Company's general risk management strategy, and also ensures that risks undertaken by our Company are consistent with the Board's appetite for risk. While the Board oversees our Company's risk management, management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing our Company and that our Board leadership structure supports this approach.

Board Leadership Structure and Role in Risk Oversight

The Board of Directors intends to exercise its oversight in the following manner:

- appointing, retaining, and overseeing the work of the independent auditors, including resolving disagreements between the management and the independent auditors relating to financial reporting;
- approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing annually the independence and quality control procedures of the independent auditors;
- reviewing and approving all proposed related party transactions;
- discussing the annual audited financial statements with the management; and
- meeting separately with the independent auditors to discuss critical accounting policies, management letters, recommendations on internal controls, the auditor's engagement letter and independence letter and other material written communications between the independent auditors and the management.

Committees of the Board of Directors

We intend to establish the following committees:

Audit Committee. The audit committee will consist of our independent directors and its duties will be to recommend to the Board the engagement of independent auditors to audit our financial statements and to review our accounting and auditing principles. The audit committee will review the scope, timing and fees for the annual audit and the results of audit examinations performed by the internal auditors and independent public accountants, including their recommendations to improve the system of accounting and internal controls. The audit committee will at all times be composed exclusively of directors who are, in the opinion of the Board, free from any relationship which would interfere with the exercise of independent judgment as a committee member and who possess an understanding of financial statements and generally accepted accounting principles.

Audit Committee Financial Expert. The Board currently acts as our audit committee. The Board has not designated an "audit committee financial expert" as defined in Regulation S-K and is seeking an additional director that is "independent" as that term is used in Section 10A of the Exchange Act.

Audit committee charter. At the time the Board of Directors creates an audit committee and approves and adopts an audit committee charter (the "Proposed Audit Committee Charter"), the Board of Directors will include a provision in the Proposed Audit Committee Charter regarding the previously approved and adopted Cybersecurity Policy. The Board of Directors will further approve that the Audit Committee will have full authority and powers to implement the Cybersecurity Policy. The Audit Committee Charter will provide the members of the Audit Committee with authorization and authority to conduct continuous analysis of and review for any potential cybersecurity risks as part of the Company's overall risk management program and to create a cyber-resilient organization, which will contribute to the value preservation of the Company. The Audit Committee Charter will further provide authority and responsibility to the members of the Audit Committee to: (i) understand the economic drivers and impact of cyber risk, including the financial impact to our Company; (ii) align cyber-risk management policies with our business needs by integrating cyber-risk analysis into significant business decisions; (iii) ensure our organizational structure supports cybersecurity goals; (iv) incorporate cybersecurity expertise into board governance; (v) to determine the "materiality" of any cyber incident or threat; and (vi) to ensure compliance with Regulation S-K Item 16(b)(1) and Item 16(K) of Form 20F to allow our shareholders and investors to ascertain our cybersecurity practices with sufficient detail to understand our cybersecurity risk profile including the preparation and filing of a Form 6-K within four (4) business days after the determination that a "material" cybersecurity incident has occurred.

As of the date of this Annual Report, our Directors are conducting the continuous analysis and review for any potential cybersecurity risks as part of our overall risk management program.

Compensation Committee. The compensation committee will review and approve our salary and benefits policies, including compensation of executive officers.

Nominating Committee. Our Board of Directors currently acts as our nominating committee and our Company does not have any defined policy or procedure requirements for stockholders to submit recommendations or nominations for directors. The directors believe that, given the early stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. Our Company does not currently have any specific or minimum criteria for the election of nominees to the Board of Directors and we do not have any specific process or procedure for evaluating such nominees. Our directors assess all candidates, whether submitted by management or stockholders, and make recommendations for election or appointment.

All proceedings of our Board of Directors were conducted by resolutions consented to in writing by all the directors and filed with the minutes of the proceedings of the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the corporate laws of the state of Nevada and the bylaws of our Company, as valid and effective as if they had been passed at a meeting of the directors duly called and held.

A stockholder who wishes to communicate with our Board of Directors may do so by directing a written request addressed to our president, at the address appearing on the first page of this Annual Report.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information concerning the compensation earned for services rendered to the Company for the three fiscal years ended September 30, 2025, 2024, and 2023 by each of the following named executive officers and directors.

Summary Compensation Table

Name & Principal Position	Fiscal Year	Base Compensation (annual, unless otherwise noted)	Performance Award	Stock Options	Total Annual
Mr. Richun Zhuang, CEO	Fiscal year ended September 30, 2025	$ 18,105	$ -	$ -	$ 18,105
	Fiscal year ended September 30, 2024	$ 31,800	$ -	$ -	$ 31,800
	Fiscal year ended September 30, 2023	$ 8,507	$ -	$ -	$ 8,507
Ms. Yuanyuan Zhang, CFO	Fiscal year ended September 30, 2025	$ 18,724	$ -	$ -	$ 18,724
	Fiscal year ended September 30, 2024	$ 28,716	$ -	$ -	$ 28,716
	Fiscal year ended September 30, 2023	$ 15,312	$ 4,299	$ -	$ 19,611
Ms. Lili Zhang, Non-Executive Independent Director	Fiscal year ended September 30, 2025	$ 9,600	$ -	$ -	$ 9,600
	Fiscal year ended September 30, 2024	$ 9,600	$ -	$ -	$ 9,600
	Fiscal year ended September 30, 2023	$ -	$ -	$ -	$ -
Ms. Lingya Jia, Non-Executive Independent Director(1)	Fiscal year ended September 30, 2025	$ 22,496	$ -	$ -	$ 22,496
	Fiscal year ended September 30, 2024	$ 9,600	$ -	$ -	$ 9,600
	Fiscal year ended September 30, 2023	$ -	$ -	$ -	$ -

Stock Option Plan

Currently, we do not have a stock option plan in favor of any director, officer, consultant, or employee of our Company.

Stock Options/SAR Grants

There were no stock options exercised during the fiscal years ended September 30, 2025, 2024, and 2023 by the executive officers named in the Executive Compensation Table. Further, there are no options, warrants, or rights to receive any of the Company's securities outstanding.

Outstanding Equity Awards at 2025 Fiscal Year End

There were no outstanding equity awards for the fiscal year ended September 30, 2025.

Compensation Discussion and Analysis

We strive to provide our named executive officers (as defined in Item 402 of Regulation S-K) with a competitive base salary that is in line with their roles and responsibilities when compared to peer companies of comparable size in similar locations.

It is not uncommon for PRC private companies to have base salaries as the sole form of compensation. The base salary level is established and reviewed based on the level of responsibilities, the experience and tenure of the individual, and the current and potential contributions of the individual. The base salary is compared to the list of similar positions within comparable peer companies and consideration is given to the executive's relative experience in his or her position. Base salaries are reviewed periodically and at the time of promotion or other changes in responsibilities.

We intend to form a compensation committee to oversee the compensation of our named executive officers. The majority of the members of the compensation committee will be independent directors.

Compensation of Directors

Directors are permitted to receive fixed fees and other compensation for their services as directors. The Board of Directors has the authority to fix the compensation of directors.

As of the date of this Annual Report, only our non-executive independent directors have received compensation for their service on the Board of Directors.

Aggregated Option Exercises and Fiscal Year-End Option Value Table

There were no stock options exercised from inception through September 30, 2025, by the executive officers named in the Executive Compensation Table. Further, there are no option, warrants, or rights to receive any of the Company's securities outstanding.

Pension, Retirement, or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement, or similar benefits for directors or executive officers. We have no material bonus or profit-sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the Board of Directors or a committee thereof.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information concerning the number of shares of our common stock owned beneficially as of the date of this Annual Report by: (i) each person (including any group) known to us to own more than five percent (5%) of any class of our voting securities; (ii) each of our directors and each of our named executive officers (as defined under Item 402(m)(2) of Regulation S-K); and (iii) our officers and directors as a group. Unless otherwise indicated, the shareholders listed possess sole voting and investment power with respect to the shares shown except to the extent voting power may be shared with a spouse. Unless otherwise indicated, the address for each director and executive officer listed is c/o Kun Peng International Ltd., Room 2069W, Sihui Building, No 1008-B, Huihe South Street, Banbidian Village, Gaobeidian Town, Chaoyang District, Beijing, PRC 100124.

	Common Stock Beneficially Owned	
Name and Address of Beneficial Owner	**Number of Shares and Nature of Beneficial Ownership**	**Percentage of Total Common Equity(1)**
Mr. Richun Zhuang(2)	34,158,400	8.5%
Ms. Chengyuan Li(3)	84,015,980	21.0%
Ms. Yuanyuan Zhang	0	0.0%
Ms. Lili Zhang	0	0.0%
Ms. Kun Hu	0	0.0%
All executive officers and directors as a group	118,174,380	29.5%
5% or Greater Stockholders:		
Pui Chun Wong	140,072,628	35.0%
Kunpeng TJ Limited(3)	84,015,980	21.0%
Kun Peng RC Limited(2)	34,158,400	8.5%
Kunpeng Tech Limited	43,431,740	10.9%
Zhizhong Wang(4)	43,431,740	10.9%
Kun Peng XJ Limited	39,905,162	10.0%
Xiujin Wang(5)	39,905,162	10.0%

(1) Beneficial ownership is determined in accordance with SEC rules and generally includes voting or investment power with respect to securities. Applicable percentage ownership is based on 400,000,000 shares of common stock outstanding as of the date of this Annual Report. There are no outstanding options, warrants, or other rights to acquire shares of our common stock.

(2) These shares are owned of record by Kun Peng RC Ltd. As the sole director and shareholder of Kun Peng RC Ltd., Richun Zhuang may be deemed to beneficially own these shares.

(3) These shares are owned of record by Kunpeng TJ Limited. As the sole director and majority shareholder of Kunpeng TJ Limited, Chengyuan Li may be deemed to beneficially own these shares.

(4) These shares are owned of record by Kunpeng Tech Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by Zhizhong Wang, the owner of record of approximately 6% of the shares of King Eagle VIE. As the sole director and majority shareholder of Kunpeng Tech Limited, Zhizhong Wang is deemed to beneficially own these shares. The principal address of Kunpeng Tech Limited is No. 15 Front Row, Bungalow, No. 16 Chegongzhuan West Road, Haidian District, Beijing PRC.

(5) These shares are owned of record by Kun Peng XJ Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by Xiujin Wang, the owner of record of approximately 6% of the shares of King Eagle VIE. As the sole director and majority shareholder of Kun Peng XJ Limited, Xiujin Wang is deemed to beneficially own these shares. The principal address of Kun Peng XJ Limited is Room 501, Unit 3, Building 7, Xicheng Nianhua Apartment, Xihu District, Hangzhou City, Zhejiang Province, PRC.

Changes in Control

As of the date of this Annual Report, there are no arrangements known to the registrant the operation of which may at a subsequent date result in a change in control of the registrant.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Except for the ownership of our securities, and except as set forth below, none of the directors, executive officers, holders of more than 5% of our outstanding shares of common stock, or any member of the immediate family of any such person have, to our knowledge, had a material interest, direct or indirect, in any transaction or proposed transaction which may materially affect our Company.

Policy for Approval of Related Party Transactions

Our Board of Directors is charged with reviewing and approving all potential related party transactions. All such related party transactions must then be reported under applicable SEC rules. We have not adopted other procedures for review, or standards for approval, of such transactions, but instead review them on a case-by-case basis.

Related Party Transactions

Acquisition of Kun Pin Hui (Shandong) Trading Co. Ltd.

On April 3, 2024, King Eagle VIE entered into a Share Transfer Agreement (the “Share Purchase Agreement”) with Zhandong Fan and Yuanyuan Zhang for the acquisition of all the subscribed shares of Kun Pin Hui (Shandong) Trading Co. Ltd.

Pursuant to the Share Purchase Agreement, King Eagle VIE purchased all of the outstanding shares of Kun Pin Hui (Shandong) Trading Co. Ltd., which were held 95% by Zhandong Fan and 5% by Yuanyuan Zhang, for an aggregate consideration of $0.14 (RMB 1). The acquisition closed on April 7, 2024. As of September 30, 2025, King Eagle VIE had paid $3,698 (RMB 27,000) of the registered capital.

Amounts due from related parties

Amounts due from related parties mainly represented amounts advanced to officers or employees for daily operating expenses anticipated to be incurred by our officers and employees on behalf of the Company. The advances are required to be repaid in cash within a year. Amounts due from related parties consisted of the following:

			September 30,	
Name of related party	**Relationship**	**Nature of transactions**	**2025**	**2024**
Ms. Jinjing Zhang	One of the shareholders of King Eagle (Tianjin)	Advanced to officers or employees for operating expenses	$ -	7,125
Ms. Xiujin Wang	One of the shareholders of King Eagle (Tianjin); beneficial owner of shares of the Company through her control of Kun Peng XJ Limited	Advanced to officers or employees for operating expenses	-	7,125
Beijing Paiyue Technology Co., LTD	95% held by Ms. Chengyuan Li, a prior shareholder of King Eagle (Tianjin) and a director of the Company; beneficial owner of shares of the Company through its control of Kun Peng TJ Limited	Input VAT, offset once invoice was issued	-	5,842
King Eagle (Hangzhou) Health Technology Co., Ltd	40% held by King Eagle (Tianjin)	Advanced for operating expenses	84,282	-
Chongbao (Beijing) Auction Co., Ltd.	100% held by Beijing Paiyue Technology Co., LTD	Account receivable	247,337	-
Total			$ 331,619	12,967

Amounts due to related parties

Amounts due to related parties are payables arising from transactions between the Company and related parties, such as payments of agency service charges to a related company, payments of operating expenses by such related parties on behalf of our entities in the PRC and funding to meet working capital requirements. The payables owed to the related parties are interest free, unsecured, and repayable on demand.

Amounts due to related parties consisted of the following:

Name of related party	Relationship	Nature of transactions	September 30, 2025	2024
Ms.Chengyuan Li	A prior shareholder of King Eagle (Tianjin); a director of the Company; beneficial owner of shares of the Company through her control of Beijing Paiyue Technology Co., LTD, which controls Kun Peng TJ Limited	Operational support to King Eagle (Tianjin) to meet its working capital requirements	$ 2,647,984	$ 2,686,246
Ms. Xiujin Wang	One of the shareholders of King Eagle (Tianjin); beneficial owner of shares of the Company through her control of Kun Peng XJ Limited	Operational support to King Eagle (Tianjin) to meet its working capital requirements	252,845	260,773
Mr. Richun Zhuang	Chief Executive Officer and Director of the Company; beneficial owner of shares of the Company through his control of Kun Peng RC Limited	Operational support to King Eagle (Tianjin) to meet its working capital requirements	424,108	234,981
Ms. Yuanyuan Zhang	One of the shareholders of King Eagle (Tianjin), CFO of the Company	Operational support to King Eagle (Tianjin) to meet its working capital requirements	-	121,094
Ms. Jinjing Zhang	One of the shareholders of King Eagle (Tianjin)	Operational support to King Eagle (Tianjin) to meet its working capital requirements	2,388	3,847
Mr. Zhandong Fan	One of the shareholders of King Eagle (Tianjin)	Operational support to King Eagle (Tianjin) to meet its working capital requirements	3,793	3,847
Mr. Cairong Ji	Legal representative of King Eagle (Hangzhou)	Operational support to King Eagle (Tianjin) to meet its working capital requirements	-	2,391
Tianjin Qianying Technology Co., Ltd.	100% held by Ms. Jinjing Zhang, one of the shareholders of King Eagle (Tianjin)	Payments of agency service charges	828,644	753,455
Beijing Paiyue Technology Co., LTD	95% held by Ms. Chengyuan Li, a prior shareholder of King Eagle (Tianjin) and a director of the Company; beneficial owner of shares of the Company through its control of Kun Peng TJ Limited	Payments of agency service charges	165,959	2,779
Chongbao (Beijing) Auction Co., Ltd.	100% held by Beijing Paiyue Technology Co., LTD	Payments of service charges	178,096	-
Mr. Jianxin Niu	Legal representative and the director of Chongbao (Beijing) Auction Co., Ltd.	Operational support to King Eagle (Tianjin) to meet its working capital requirements	34,097	-
Total			$ 4,537,914	$ 4,069,413

Related parties transactions

Name of related party	Relationship	Nature of transactions	September 30, 2025	September 30, 2024
Chongbao (Beijing) Auction Co., Ltd.	100% held by Beijing Paiyue Technology Co., LTD	Revenue	233,039	-
Chongbao (Beijing) Auction Co., Ltd.	100% held by Beijing Paiyue Technology Co., LTD	Selling expense — service agents	50,380	-
Tianjin Qianying Technology Co., Ltd.	100% held by Ms. Jinjing Zhang, one of the shareholders of King Eagle (Tianjin)	Selling expense — service agents	145,488	306,533
Beijing Paiyue Technology Co., LTD	95% held by Ms. Chengyuan Li, a prior shareholder of King Eagle (Tianjin) and a director of the Company; beneficial owner of shares of the Company through its control of Kun Peng TJ Limited	General administration expenses — rental expense	48,046	57,721
Total			$ 476,953	$ 364,254

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table shows the fees that were billed for audit and other services provided by J&S, our independent auditor for the fiscal years ended September 30, 2025 and 2024.

	Fiscal Year Ended September 30, 2025	2024
Audit Fees[1]	$ 89,600	$ 31,000
Audit-related Fees[2]	-	-
Tax Fees[3]	-	-
All Other Fees[4]	-	-
Total	$ 89,600	$ 31,000

[1] **Audit Fees** - This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q, and services that are normally provided by independent auditors in connection with statutory and regulatory filings or the engagement for fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

[2] **Audit-Related Fees** - This category consists of assurance and related services by our independent auditor that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees." The services for the fees disclosed under this category include consultation regarding our correspondence with the SEC.

(3) **Tax Fees** - This category consists of professional services rendered by our independent auditors for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

(4) **All Other Fees** - This category consists of fees for other miscellaneous items such as travel and out-of-pocket expenses.

Pre-Approval Policies and Procedures

As stated elsewhere in this Annual Report, we do not have an independent audit committee and our entire Board serves as the audit committee for all purposes relating to communication with our auditors and responsibility for our audit. All engagements for audit services, audit-related services, and tax services are approved in advance by our Board of Directors.

All audit and non-audit services that may be provided by our principal accountant to us require pre-approval by the Board of Directors. Further, our auditor shall not provide those services to us specifically prohibited by the SEC, including bookkeeping or other services related to the accounting records or financial statements of the audit client, financial information systems design and implementation, appraisal or valuation services, fairness opinion, or contribution-in-kind reports, actuarial services, internal audit outsourcing services, management functions, human resources, broker-dealer, investment adviser, or investment banking services, legal services and expert services unrelated to the audit, and any other service that the Public Company Oversight Board determines, by regulation, is impermissible.

Prior to engaging our accountants to perform particular services, our Board of Directors obtains an estimate for the service to be performed. All of the services described above were approved by the Board of Directors in accordance with its procedures.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following exhibits are filed as part of this Annual Report.

Exhibit Number	Description
31.1	Certification of Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act
31.2	Certification of Chief Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act
32.1	Certification of Chief Executive Officer Under Section 1350 as Adopted Pursuant Section 906 of the Sarbanes-Oxley Act
32.2	Certification of Chief Financial Officer Under Section 1350 as Adopted Pursuant Section 906 of the Sarbanes-Oxley Act
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Kun Peng International Ltd.
(Registrant)

Date: December 31, 2025

By: */s/ Zhuang Richun*
Zhuang Richun
Chief Executive Officer (Principal Executive Officer) and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this amended report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Yuanyuan Zhang Yuanyuan Zhang	Chief Financial Officer (Principal Financial Officer)	December 31, 2025
/s/ Chengyuan Li Chengyuan Li	Director	December 31, 2025
/s/ Lili Zhang Lili Zhang	Director	December 31, 2025
/s/ Kun Hu Kun Hu	Director	December 31, 2025

KUN PENG INTERNATIONAL LTD.
(FORMELY CX NETWORK GROUP, INC.)

CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED SEPTEMBER 30, 2025 AND 2024

AND

REPORT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

Consolidated Financial Statements for the fiscal years ended September 30, 2025 and 2024

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Director and Stockholder of
KUN PENG INTERNATIONAL LTD.
(Formerly CX Network Group, Inc.)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Kun Peng International Ltd. and its subsidiaries (collectively, the "Company") as of September 30, 2025 and the related consolidated statement of operations and comprehensive loss, statement of changes in equity, and cash flows for the year ended September 30, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2025, and the results of its operations and its cash flows for the year ended September 30, 2025, in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, as of September 30, 2025, the Company has incurred cash outflow from operating activities of $208,156 and incurred a net loss of $1,268,913 and had an accumulated deficit of $8,495,197. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions that gives rise to the substantial doubt that exists about the Company's ability to continue as a going concern and management's plans to mitigate this matter are also described in Note 2.

These financial statements do not include any adjustments that may be necessary to reflect the effects on the recoverability and classification of assets and additional liabilities that may arise if the Company is not able to continue as a going concern. Our opinion is not modified with respect to this matter.

Basis for 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 Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting 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 audit 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. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current year audit of the financial statements that were communicated or are required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements, and (2) involved especially challenging, subjective, or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition - Principal versus Agent Considerations

As described in Note 2 to the consolidated financial statements, management follows the guidance provided in ASC 606, Revenue from Contracts with Customers, for determining whether the Company is the principal or an agent in arrangements with customers that involve another party that contributes to providing the goods to a customer.

The Company recognizes revenue from the sale of goods on a gross basis (as a principal) as the Company is primarily responsible for the inventory risk, fulfilment of the sale, controls the delivery of the promised goods, and has full discretion in establishing prices.

Our key considerations for the determination of revenue recognition - principal versus agent considerations as a critical audit matter were due to the high degree of judgement involved in the assessment of who is responsible for the inventory risk, fulfilment of the sale and the delivery of the promised goods to the customer, and whether the Company had full discretion in establishing the prices of the goods. These were assessed by, among other procedures:

1. Assess and evaluate the Company's revenue recognition policies and procedures including the adoption and application of ASC 606;
2. Evaluate the inventory risk before the specified goods or after transfer of control to customers and assess the Company responsibilities on return or refunds;
3. Assessing the responsibilities of the Company in fulfilling the promise to provide the specific goods to customers by conducting an interview with sales personnel who market the Company's products;
4. Assessing the responsibilities of the Company on the delivery of the promised goods to customers through a review of suppliers' contracts and discussion with key personnel;
5. Obtaining an understanding of the managerial process involved in establishing the selling price through a review of the authorization and approval procedures for price fixing and engaging in discussions with the management team.
6. Ensure consistency of evidence obtained across other areas of the audit;
7. Assess the adequacy of the Company's disclosures related to revenue recognition under ASC 606.

/s/ J&S Associate PLT
(F.K.A: J&S Associate)
Certified Public Accountants
PCAOB Number: 6743

December 31, 2025
Malaysia

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

KUN PENG INTERNATIONAL LTD
CONSOLIDATED BALANCE SHEETS
(In U.S. Dollars, except share data or otherwise stated)

	Note	September 30, 2025	September 30, 2024
Assets			
Current assets			
Cash and cash equivalents		$ 26,284	$ 82,184
Advance and prepayments	4	33,771	178,954
Other receivables	5	101,687	251,588
Inventory	6	6,086	15,700
Amount due from related parties	11	331,619	20,092
Total current assets		499,447	548,518
Noncurrent assets			

Property and equipment, net	7	118,508	292,198
Intangible assets, net	8	2,255	2,548
Security deposits		-	16,116
Operating lease right-of-use assets	15	89,073	284,524
Finance lease right-of-use assets	15	111,931	309,445
Investment in associate held for sale		19,595	15,743
Others		-	10,094
Total noncurrent assets		341,362	930,668
Total assets		$ 840,809	$ 1,479,186
Liabilities			
Current liabilities			
Short-term borrowing	16	100,014	-
Trade and other payables	9	3,642,395	3,208,426
Contract liabilities	10	294,618	584,116
Payroll payable		162,534	120,310
Tax payable		129,387	128,297
Amounts due to related parties	11	4,537,914	4,069,413
Operating lease obligations, current portion	15	52,017	238,979
Finance lease obligations, current portion	15	75,765	196,879
Total current liabilities		8,994,644	8,546,420
Noncurrent liabilities			
Operating lease obligations, net of current portion	15	34,006	44,622
Finance lease obligations, net of current portion		-	76,862
Total noncurrent liabilities		34,006	121,484
Total liabilities		$ 9,028,650	$ 8,667,904
Commitment and contingencies		-	-
Equity			
Preferred stock, $0.0001 par value, 10,000,000 shares authorized; no shares issued and outstanding as of September 30, 2025 and September 30, 2024	12	-	-
Common stock, $0.0001 par value, 1,000,000,000 shares authorized; 400,000,000 shares issued and outstanding as of September 30, 2025 and September 30, 2024	12	40,000	40,000
Additional paid-in capital	12	524,942	349,356
Accumulated deficits		(9,037,984)	(7,774,600)
Accumulated other comprehensive income		285,201	200,368
Total stockholders' equity		(8,187,841)	(7,184,876)
Non-controlling interests		-	(3,842)
Total equity		(8,187,841)	(7,188,718)
Total liabilities and equity		$ 840,809	$ 1,479,186

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

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KUN PENG INTERNATIONAL LTD
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In U.S. Dollars, except share data or otherwise stated)

		Years ended September 30	
	Note	**2025**	**2024**
Revenue, net		$ 1,438,127	$ 2,078,741
Cost of revenue		(479,832)	(605,638)
Gross profit		958,295	1,473,103
Operating expenses			
General and administrative expenses		1,551,451	1,818,877
Selling expense		1,186,554	1,655,024
Total operating expenses		2,738,005	3,473,901
Loss from operations		(1,779,710)	(2,000,798)
Other income, net:			
Interest income		25	435
Other (expense) income		(102,264)	23,529
Waiver of debt		501,575	-
Equity in net losses		(36,118)	(12,426)
Gain on disposal of a subsidiary		147,579	-
Total other income, net		510,797	11,538
Loss before income taxes		(1,268,913)	(1,989,260)
Income tax expense	12	-	2,487

Net loss	(1,268,913)	(1,991,747)
Less: Net loss attributable to non-controlling interest	(5,529)	(20,309)
Net loss attributable to Kun Peng International Ltd	(1,263,384)	(1,971,438)
Foreign currency translation adjustment	84,833	(226,916)
Comprehensive loss	(1,184,080)	(2,218,663)
Less: Comprehensive loss attributable to non-controlling interest	(5,527)	(20,309)
Comprehensive loss attributable to Kun Peng International Ltd	$ (1,178,553)	$ (2,198,354)
Net loss per share attributable to common stockholders		
Basic and diluted*	$ (0.003)	$ (0.005)
Weighted average shares used to compute net loss per share attributable to common stockholders*	400,000,000	400,000,000

* Outstanding and issued shares retrospectively reflected the forward stock split 10:1 effected on October 18, 2022

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

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KUN PENG INTERNATIONAL LTD
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
(In U.S. Dollars, except share data or otherwise stated)

	Common stock		Additional paid-in capital	Accumulated Deficits	Accumulated other comprehensive income	Total stockholders' equity	Non-controlling interest	Total equity
	Shares	Amount						
Balance, September 30, 2024	400,000,000	$ 40,000	$ 349,356	$ (7,774,600)	$ 200,368	$ (7,184,876)	$ (3,842)	$ (7,188,718)
Capital contribution	-	-	175,586	-	-	175,586	-	175,586
Net loss attributable to common stockholders	-	-	-	(1,263,384)	-	(1,263,384)	-	(1,263,384)
Disposal of a subsidiary	-	-	-	-	-	-	9,369	9,369
Net loss attributable to noncontrolling interest	-	-	-	-	-	-	(5,529)	(5,529)
Foreign currency translation adjustment	-	-	-	-	84,833	84,833	2	84,835
Balance, September 30, 2025	400,000,000	$ 40,000	$ 524,942	$ (9,037,984)	$ 285,201	$ (8,187,841)	$ -	$ (8,187,841)

	Common stock		Additional paid-in capital	Accumulated deficits	Accumulated other comprehensive income	Total stockholders' equity	Non-controlling interest	Total equity
	Shares	Amount						
Balance, September 30, 2023	400,000,000	$ 40,000	$ 597,801	$ (5,803,162)	$ 426,741	$ (4,738,620)	$ (281,001)	$ (5,019,621)
Capital contribution	-	-	70,522	-	-	70,522	-	70,522
Acquisition of noncontrolling interest	-	-	(318,967)	-	-	(318,966)	298,010	(20,956)
Net loss attributable to common stockholders	-	-	-	(1,971,438)	-	(1,971,438)	-	(1,971,438)
Net loss attributable to noncontrolling interest	-	-	-	-	-	-	(20,309)	(20,309)
Foreign currency translation adjustment	-	-	-	-	(226,374)	(226,374)	(542)	(226,916)
Balance, September 30, 2024	400,000,000	$ 40,000	$ 349,356	$ (7,774,600)	$ 200,368	$ (7,184,876)	$ (3,842)	$ (7,188,718)

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

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KUN PENG INTERNATIONAL LTD
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. Dollars, except share data or otherwise stated)

	September 30,	
	2025	2024
Cash flows from operating activities		
Net loss	$ (1,268,913)	$ (1,991,747)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities		
Depreciation and amortization	113,564	109,709
Amortization of right-of-use assets	372,377	373,760
Waiver of debt	(501,575)	-
Impairment losses	-	8,412
Equity in net losses	36,118	12,426
Gain on disposal of subsidiary	(147,579)	-
Changes in operating assets and liabilities		
Advance and prepayments	140,785	(105,875)
Other receivables	144,929	(241,285)
Trade receivable	-	62

Security deposits	15,680	26,836
Inventory	9,270	93,335
Trade and other payables	3,588,847	(1,722,045)
Contract liabilities	(273,611)	(1,607,612)
Payroll payable	70,833	52,730
Amount due to related parties	(2,128,515)	5,298,478
Tax payable	10,761	(67,936)
Lease liabilities obligations	(167,909)	(221,368)
Long-term prepaid expenses	9,821	-
Amount due from a related party	(233,039)	-
Net cash (used in) provided by operating activities	(208,156)	17,880
Cash flows from investing activities		
Disposal (purchase) of property and equipment	13,679	(320,498)
Investment in associate held for sale	-	(28,500)
Net cash provided by (used in) investing activities	13,679	(348,998)
Cash flows from financing activities:		
Capital contribution	173,310	70,522
Payment of finance lease liabilities	(199,561)	(125,291)
Proceeds from bank borrowings	98,718	-
Net cash provided by (used in) financing activities	72,467	(54,769)
Effect of exchange rate changes on cash	66,110	10,491
Net decrease in cash and cash equivalents	(55,900)	(375,396)
Cash and cash equivalents, beginning balance	82,184	457,580
Cash and cash equivalents, ending balance	$ 26,284	$ 82,184
Supplementary cash flows information:		
Cash paid for interest	$ -	$ -
Cash paid for income tax	$ -	$ -
Supplemental disclosures of noncash transactions		
Right-of-use assets acquired with operating lease obligation	$ 123,030	$ 561,527

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

KUN PENG INTERNATIONAL LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Kun Peng International Limited (“the Company,” “KPIL,” “KPEA,” “we,” “us,” “our”), a Nevada corporation (formerly known as CX Network Group, Inc.), through its subsidiaries and VIE and its subsidiaries, is currently engaged in the sale of health care and health-related household products through its online platforms, King Eagle Mall and Kun Zhi Jian Mini Program.

Name	Background	Ownership	Registered capital / Authorized shares	Principal activities
Kun Peng International Limited	● A U.S. company ● Incorporated on September 3, 2010		Authorized shares: ● Common stock: 1,000,000,000 with par value $0.0001 per share ● 400,000,000 shares issued and outstanding as of September 30, 2025 Preferred stock: ● 10,000,000 with par value $0.0001 per share ● no shares issued and outstanding as of September 30, 2025	Investment holding
Kun Peng International Holding Limited	● A BVI company ● Incorporated on April 20, 2021	100% owned by Kun Peng International Limited	Paid capital: 400 ordinary shares at par value of $0.01 per share	Investment holding
Kunpeng (China) Industrial Development Company Limited	● A Hong Kong company ● Incorporated on August 11, 2017 ● Deregistration from Hong Kong Inland Revenue Department and Hong Kong Company Registry, approved on February 2, 2024	100% owned by Kun Peng International Holding Limited	Paid share capital: 10,000 ordinary shares at $1,292 (HKD10,000)	Investment holding
Kun Peng (Hong Kong) Industrial Development Limited	● A Hong Kong company ● Incorporated on June 21, 2021	100% owned by Kun Peng International Holding Limited	Paid share capital: 1 ordinary share at $0.13 (HK$1)	Investment holding

Kun Peng Tian Yu Health Technology (Tianjin) Co., Ltd.	● a limited liability company incorporated in the People's Republic of China and a wholly foreign owned enterprise ("WFOE") since March 3, 2023 ● Incorporated on August 10, 2021	100% owned by Kun Peng (Hong Kong) Industrial Development Limited	Registered capital of RMB 5 million (US$0.7 million)	Exploring future business opportunities

Name	Background	Ownership	Registered capital / Authorized shares	Principal activities
King Eagle (China) Co., Ltd	● a wholly foreign owned enterprise ("WFOE") until March 3, 2023 and a limited liability company incorporated in the People's Republic of China ● Incorporated on March 20, 2019	49% owned by Kun Peng (Hong Kong) Industrial Development Limited and 51% owned by Kun Peng Tian Yu	Registered capital: approximately $15 million (RMB100 million)	Providing technical and management support to King Eagle VIE
King Eagle (Tianjin) Technology Co., Ltd.	● a limited liability company incorporated in the People's Republic of China ● Incorporated on September 2, 2020 ● Became a variable interest entity (VIE) of King Eagle (China) Co., Ltd on May 15, 2021	Owned by multiple individuals: Yuanyuan Zhang (approximately 32.74%), Zhandong Fan (approximately 27.74%), Xiujin Wang (approximately 10.52%), Jinjing Zhang, Wanfeng Hu, Cuilian Liu, and Zhizhong Wang (each of whom owns approximately 6%), and Hui Teng (approximately 5%)	Registered capital of approximately $1.5 million (RMB 10 million) Paid-in capital approximately $0.2 million (RMB 1.4 million)	Operating King Eagle Mall
King Eagle (Beijing) Technology Co., Ltd	● a limited liability company incorporated in the People's Republic of China ● Incorporated on December 1, 2022	100% owned by King Eagle (Tianjin) Technology Co., Ltd.	Registered capital of $0.7 million (RMB 5 million) Paid-in capital approximately $0.7 million (RMB 5 million)	Operates the online platform, Kun Zhi Jian
King Eagle (Huai'an) Health Management Co., Ltd.	● a limited liability company incorporated in the People's Republic of China ● Incorporated on September 19, 2023 ● Fully acquired on July 19, 2024 ● Deregistered on August 28, 2025	100% owned by King Eagle (Tianjin) Technology Co., Ltd.	Registered capital of $0.7 million (RMB 5 million) Paid-in capital approximately $10K (RMB 70,000)	Coordinates with local health care service providers to offer health screening and monitoring

Name	Background	Ownership	Registered capital / Authorized shares	Principal activities
Kun Zhi Jian (Huai'an) Technology Co., Ltd.	● a limited liability company incorporated in the People's Republic of China ● Incorporated on October 26, 2023 ● Deregistered on August 28, 2025	100% owned by King Eagle (Tianjin) Technology Co., Ltd.	Registered capital of $0.1 million (RMB 1 million)	Primarily focuses on marketing and selling physiotherapy equipment products
Kun Zhi Jian (Shandong) Health Management Co., Ltd	● a limited liability company incorporated in the People's Republic of China ● Incorporated on January 30, 2024	100% owned by King Eagle (Tianjin) Technology Co., Ltd.	Registered capital of $0.4 million (RMB 3 million)	Commenced its operations in February 2024 and focuses on promoting and selling health screening devices
Chengdu Wenjiang Pengrun Shangyibang Internet Healthcare Co., Ltd.	● a limited liability company incorporated in the People's Republic of China ● Incorporated on February 1, 2024	100% owned by King Eagle (Tianjin) Technology Co., Ltd.	Registered capital of $0.1 million (RMB 1 million)	Plans to commence operations in late 2026, assuming permits to provide online health care services are obtained
Kun Pin Hui (Shandong) Trading Co., Ltd	●a limited liability company incorporated in the People's Republic of China ● Incorporated on November 23, 2023 ● Acquired on April 7, 2024	100% owned by King Eagle (Tianjin) Technology Co., Ltd.	Registered capital of $0.4 million (RMB 3 million)	Operates online platform

King Eagle (Hangzhou) Health Technology Co., Ltd	●a limited liability company incorporated in the People's Republic of China ● Incorporated on July 18, 2024	40% (95% until January 17, 2025) owned by King Eagle (Tianjin) Technology Co., Ltd.	Registered capital of $0.1 million (RMB 1 million)	Commenced operations in August 2024
Kun Yu (Hainan) Technology Co., Ltd	●a limited liability company incorporated in the People's Republic of China ● Incorporated on August 20, 2025	100% owned by King Eagle (Tianjin) Technology Co., Ltd.	Registered capital of $0.1 million (RMB 1 million)	Plans to commence operations in late 2026

Authorized Shares and Name Change

Effective as of September 9, 2021, the Company's Articles of Incorporation were amended to change the name of the Company from CX Network Group, Inc. to Kun Peng International Limited. ("KPIL") and to increase the Company's authorized capital to 210,000,000 authorized shares of Capital Stock with 200,000,000 designated as $0.0001 par value common stock, and 10,000,000 designated as $0.0001 par value preferred stock.

Effective October 12, 2022, we increased our authorized common stock from 200,000,000 shares, par value $0.0001, to 1,000,000,000 shares, par value $0.0001, and on October 18, 2022, we effected a 10:1 forward stock split after which we have 400,000,000 shares of common stock issued and outstanding.

On November 8, 2022, the Company's trading symbol was changed to "KPEA."

On November 11, 2022, the Company received an electronic notice that OTC Markets had approved its application for uplisting from OTC Pink to the OTCQB Venture Market (OTCQB). The Company's securities commenced trading on the OTCQB at the market open on November 14, 2022. The Company's shares trade on the OTCQB under the current ticker symbol, "KPEA."

Kun Peng International Holding Limited

Kun Peng International Holding Limited ("KP International Holding") was incorporated in the British Virgin Islands on April 20, 2021. KP International Holding is a holding company. On May 3, 2021, KP International Holding purchased all of the issued and outstanding equity securities of Kun Peng (China) Industrial Development Company Limited ("KP (China)"), which was incorporated in Hong Kong on August 11, 2017, at a cash consideration of approximately $0.129 (HK$1). KP (China) was deregistered on February 2, 2024. After the ownership transfer, KP International Holding became the sole shareholder of KP (China).

Kun Peng (China) Industrial Development Company Limited

Kun Peng (China) Industrial Development Company Limited ("KP (China)") was incorporated as a limited liability company in Hong Kong under the name of Jing Jin Ji Investment Group Co., Limited ("Jing Jin Ji") on August 11, 2017. The share capital of KP (China) is 10,000 ordinary shares at $1,292 (HKD10,000) and was wholly owned by an individual. On November 9, 2018, Jing Jin Ji changed its name to "Kun Peng (China) Industrial Development Company Limited" and filed a Certificate of Change of Name with the Hong Kong Company Registry on the same day. Although it was incorporated in 2017, it did not commence operations until July 2020 as it focused on exploring business opportunities in its initial phase and developing our online mobile application, King Eagle Mall, through its subsidiary, King Eagle (China) Co., Ltd. It became a wholly owned subsidiary of KP International Holding on May 3, 2021.

On August 24, 2023, we filed an application with the Companies Registry of Hong Kong for deregistration and dissolution of KP (China). The application for deregistration was approved on February 2, 2024 by the Hong Kong Company Registry.

Kun Peng (Hong Kong) Industrial Development Limited

Kun Peng (Hong Kong) Industrial Development Limited ("KP (Hong Kong)") was incorporated as a limited liability company in Hong Kong on June 21, 2021. It is a holding company and is wholly owned by Kun Peng International Holding Limited. The share capital of this entity upon formation is $0.13 (HK$1).

King Eagle (China) Co., Ltd.

King Eagle (China) Co., Ltd. ("King Eagle (China)") was incorporated as a limited liability company in Beijing Economic Technological Development Zone in the People's Republic of China ("the PRC") on March 20, 2019 with a registered capital of approximately $15 million (RMB100 million). King Eagle (China) was a wholly owned subsidiary of KP (China) at the time of establishment.

On November 1, 2022, KP (China) entered into ownership transfer agreements with Kun Peng (Hong Kong) Industrial Development Limited and Kun Peng Tian Yu Health Technology Co., Ltd. The agreements provided that KP (China) would transfer 49% and 51% of its ownership in King Eagle (China) to Kun Peng (Hong Kong) Industrial Development Limited and Kun Peng Tian Yu Health Technology Co., Ltd., respectively. The ownership transfer was completed on March 3, 2023. King Eagle (China) is no longer a WFOE after the ownership transfer.

As discussed below, King Eagle (China) has entered into agreements (the "VIE Agreements") with King Eagle (Tianjin) Technology Co., Ltd. and its shareholders through which King Eagle (China) controls and receives the economic benefits of King Eagle (Tianjin) Technology Co., Ltd.'s business operations.

King Eagle (Tianjin) Technology Co., Ltd.

King Eagle (Tianjin) Technology Co., Ltd. ("King Eagle (Tianjin)") was incorporated as a limited liability company in Tianjin Pilot Free Trade Zone in the People's Republic of China on September 2, 2020, with a registered capital of approximately $1.5 million (RMB 10 million). We do not own any of the equity of King Eagle (Tianjin). As of the date of this Report, it is owned by the following individuals: Yuanyuan Zhang, the Chief Financial Officer of the Company (approximately 32.74%), Zhandong Fan (approximately 27.74%), Xiujin Wang (approximately 10.5%), Jinjing Zhang, Wanfeng Hu, Cuilian Liu, and Zhizhong Wang (each of whom owns approximately 6%), and Hui Teng (approximately 5%). Those shareholders were also indirect owners of KP International Holding, prior to its acquisition by the Company, through two British Virgin Islands entities: Kunpeng Tech Limited and Kunpeng TJ Limited.

Some of the business engaged in by King Eagle (Tianjin) is restricted or prohibited for foreign investment under PRC regulations. Therefore, King Eagle (China) has entered into VIE Agreements with King Eagle (Tianjin) and its shareholders. We do not own any equity interests in King Eagle (Tianjin), but control and receive the economic benefits of its business operations through the VIE Agreements. The VIE Agreements enable us to provide King Eagle (Tianjin) with consulting services on an exclusive basis in exchange for all of its annual profits, if any. In addition, we are able to appoint its senior executives and approve all matters requiring approval of its shareholders. The VIE Agreements are comprised of a Consulting Service Agreement, Business Operation Agreement, Proxy Agreement, Equity Disposal Agreement, and Equity Pledge Agreement.

Under current Chinese laws and regulations, the Company believes that the VIE Agreements are not subject to any government approval. The shareholders of King Eagle (Tianjin) were required to register with SAFE when they established offshore vehicles to hold KP International; such SAFE registration was effected on May 14, 2021. These shareholders of King Eagle (Tianjin) were required to register their equity pledge arrangement as required under the Equity Pledge Agreement with King Eagle (China). The binding rights over the VIE's subsidiaries in the contractual arrangements between King Eagle (China) and King Eagle (Tianjin) are implicit and indirect and the company laws and regulations in the PRC governing the business operations of the VIE's subsidiaries are uncertain. The Company faces uncertainty with respect to future actions by the PRC government that could significantly affect King Eagle (Tianjin)'s financial performance and the enforceability of the VIE Agreements.

Kun Peng Tian Yu Health Technology (Tianjin) Co., Ltd.

Kun Peng Tian Yu Health Technology Co., Ltd. ("KP Tian Yu") was incorporated as a limited liability company in Tianjin Pilot Free Trade Zone in the People's Republic of China on August 10, 2021 with a registered capital of approximately $0.7 million (RMB 5 million). It is wholly owned by KP (Hong Kong). On November 1, 2022, KP (China) entered into ownership transfer agreements with Kun Peng (Hong Kong) Industrial Development Limited and Kun Peng Tian Yu Health Technology Co., Ltd. The agreements provided that KP (China) would transfer 49% and 51% of its ownership in King Eagle (China) to Kun Peng (Hong Kong) Industrial Development Limited and Kun Peng Tian Yu Health Technology Co., Ltd., respectively. The ownership transfer was completed on March 3, 2023. ("KP Tian Yu") became a WFOE beginning March 3, 2023.

King Eagle (Beijing) Technology Co., Ltd

King Eagle (Beijing) Technology Co., Ltd ("King Eagle (Beijing)") was incorporated as a limited liability company in Beijing in the People's Republic of China on December 1, 2022 with a registered capital of $0.7 million (RMB 5 million). It is wholly owned by King Eagle (Tianjin). King Eagle (Beijing) commenced its operation of the online platform called "Kun Zhi Jian" in January 2023. This platform became one of the components in our Kun Zhi Jian Mini Program in November 2023. Since then, King Eagle (Beijing) focuses on wholesaling of health care related products and dietary supplements.

King Eagle (Huai'an) Health Management Co., Ltd.

King Eagle (Huai'an) Health Management Co., Ltd. ("King Eagle (Huai'an)") was established on September 19, 2023 under the laws of the People's Republic of China. with a registered capital of approximately $0.69 million (RMB 5 million). It was owned 95% by King Eagle VIE and 5% by Hunan Ant Doctor Health Service Co., Ltd. On July 19, 2024, King Eagle VIE acquired the 5% minority stake and King Eagle (Huai'an) is now 100% owned by King Eagle VIE. King Eagle (Huai'an) became fully operational in October 2023 and focuses on coordinating with local health care service providers to offer health screening and monitoring to the Company's customers and members. King Eagle (Huai'an) completed its deregistration on August 28, 2025.

Kun Zhi Jian (Huai'an) Technology Co., Ltd.

Kun Zhi Jian (Huai'an) Technology Co., Ltd**.** ("Kun Zhi Jian (Huai'an)") was established on October 26, 2023 under the laws of the People's Republic of China. with a registered capital of approximately $0.14 million (RMB 1 million). The entity is located in Jiangsu province, PRC. It is a wholly-owned subsidiary of King Eagle VIE. Kun Zhi Jian (Huai'an) commenced its operations in November 2023 and primarily focuses on marketing and selling physiotherapy equipment products. Kun Zhi Jian (Huai'an) completed its deregistration on August 28, 2025.

Kun Zhi Jian (Shandong) Health Management Co., Ltd

Kun Zhi Jian (Shandong) Health Management Co., Ltd ("Kun Zhi Jian (Shandong)") was established on January 30, 2024 under the laws of the People's Republic of China. with a registered capital of approximately $0.14 million (RMB 1 million). The entity is located in Shandong province, PRC. It is a wholly-owned subsidiary of King Eagle VIE. Kun Zhi Jian (Shandong) commenced its operations in February 2024 and focuses on promoting and selling health screening devices.

King Eagle (Hangzhou) Health Technology Co., Ltd

King Eagle (Hangzhou) Health Technology Co., Ltd ("King Eagle (Hangzhou)") was established on July 18, 2024 under the laws of the People's Republic of China with a registered capital of approximately $0.1 million (RMB 1 million). The entity is located in Zhejiang province, PRC. It was a wholly-owned subsidiary of King Eagle VIE. King Eagle (Hangzhou) commenced its operations of online sales in August 2024.

On August 8, 2024, King Eagle (Hangzhou) entered into certain agreements with Yunnan Linpingkang Pharmaceutical Co., Ltd, pursuant to which it purchased 40% of Shanxi Limei Aosikang Hospital Management Co., Ltd for the aggregate amount of $27,818 (RMB 200,000). On November 13, 2024, King Eagle (Hangzhou) entered into an agreement to transfer all of its shares of Shanxi Limei Aosikang Hospital Management Co., Ltd., for the aggregate amount of $27,818 (RMB 200,000) thereby recouping its investment.

In January 2025, King Eagle (Tianjin) entered into an agreement to transfer 55% of the outstanding shares of King Eagle (Hangzhou). The transaction, which was completed on January 17, 2025, resulted in King Eagle (Hangzhou) no longer being controlled by King Eagle (Tianjin). Upon closing the transaction, King Eagle (Tianjin) retained a 40% noncontrolling interest in King Eagle (Hangzhou) and no longer consolidates the entity. The retained interest is accounted for under the equity method pursuant to ASC 323, as King Eagle (Tianjin) retains significant influence over operating and financial policies. As a result of transfer of 55% interest in King Eagle (Hangzhou), the Company recorded a pre-tax gain on the disposal of $147,579 and equity in net losses of $36,118 in the Consolidated Statements of Operations and Comprehensive Loss for the year ended September 30, 2025.

Kun Pin Hui (Shandong) Trading Co., Ltd.

Kun Pin Hui (Shandong) Trading Co., Ltd ("Kun Pin Hui (Shandong)") was established on November 23, 2023 under the laws of the People's Republic of China with a registered capital of approximately $0.4 million (RMB 3 million). The entity is located in Shandong province, PRC. It has been a wholly-owned subsidiary of King Eagle VIE since its acquisition by King Eagle VIE on April 7, 2024. Kun Pin Hui (Shandong) commenced operations in April 2024 and is engaged in the sale of health care related products and services.

Chengdu Wenjiang Pengrun Shangyibang Internet Healthcare Co., Ltd

Chengdu Wenjiang Pengrun Shangyibang Internet Healthcare Co., Ltd ("Chengdu Wenjiang") was established on February 1, 2024 under the laws of the People's Republic of China with a registered capital of approximately $0.14 million (RMB 1 million). The entity is located in Sichuan province, PRC. It is a wholly-owned subsidiary of King Eagle VIE. Chengdu Wenjiang has not commenced operations as of the date of this report and is applying to the relevant authorities for the necessary permits to sell health care and medical services.

Kun Yu (Hainan) Technology Co., Ltd

Kun Yu (Hainan) Technology Co., Ltd ("Kun Yu") was established on August 20, 2025 under the laws of the People's Republic of China with a registered capital of approximately $0.14 million (RMB 1 million). The entity is located in Hainan province, PRC. It is a wholly-owned subsidiary of King Eagle VIE. Kun Yu has not commenced operations as of the date of this report.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America. This basis of accounting involves the application of accrual accounting and, consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred. The consolidated financial statements are expressed in U.S. dollars.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and its variable interest entity ("VIE and its subsidiaries"). All significant intercompany transactions and balances within the Company have been eliminated upon consolidation. The results of subsidiaries acquired during the respective periods are included in the consolidated statements of operations from the effective date of acquisition or up to the effective date of disposal, as appropriate. The portion of the income or loss applicable to non-controlling interests in subsidiaries is reflected in the consolidated statements of operations.

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that impact the presented amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the presented amounts of revenues and expenses during the period. Actual results may differ from those estimates. Significant estimates during the years ended September 30, 2025 and 2024 include the revenue recognition and current expected credit loss.

Going Concern

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which contemplate continuation of the Company as a going concern. The going-concern basis assumes that assets are realized and liabilities are extinguished in the ordinary course of business at amounts disclosed on the financial statements. The Company's ability to continue as a going concern depends on the liquidation of its current assets and business developments. In assessing the Company's liquidity, the Company monitors and analyzes its cash and cash equivalents and its operating and capital expenditure commitments. The Company's liquidity needs are to meet its working capital requirements, operating expenses, and capital expenditure obligations. For the year ended September 30, 2025, the Company incurred cash outflows from operating activities of $208,156, the Company incurred a net loss of $1,268,913, and the Company had negative working capital of $8,495,197. For the fiscal year ended September 30, 2024, the Company incurred cash inflows from operating activities of $17,880, the Company incurred a net loss of $1,991,747, and the Company had negative working capital of $7,997,902. These conditions raise substantial doubt about the ability of the Company to continue as a going concern.

The Company continues to monitor its operations to help improve its financial liquidity. Options under consideration in the review process include, but are not limited to, increase of sales through the Company's online business, reduction of operating costs, fund advance from the Company's stockholders and directors, or financing through the issuance of shares and bank loans. The Company has been focusing on increasing its revenue through its online platform and trimming its operating costs. For example, it explored additional revenue streams and reduced its service agent service fee. In order to continue as a going concern for the next 12 months, the Company continues to explore additional revenue streams, leverage the health care expertise and technology with local health care service providers, promote and sell preventive health care dietary supplements and products, and offer health care equipment-based services at the Kun Zhi Jian Customer Service Center. However, the Company cannot provide any assurance that it will be able to increase revenue, that it will be able to successfully implement its business plan, or that financing will be available to it on commercially acceptable terms, if at all. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern. The directors intend to continue to support the group by providing adequate financial assistance to enable the group to continue its business operations for the foreseeable future.

Earnings (loss) Per Share

Basic income (loss) per share is computed by dividing net income (loss) attributable to the holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. Diluted income (loss) per share is calculated by dividing net income (loss) attributable to the holders of ordinary shares as adjusted for the effect of dilutive ordinary share equivalents, if any, by the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during the period. However, ordinary share equivalents are not included in the denominator of the diluted earnings per share calculation when inclusion of such shares would be anti-dilutive, such as in a period in which a net loss is recorded.

Foreign Currency Translation

The reporting currency of the Company is the U.S. Dollar. Our entity in the British Virgin Islands uses U.S. dollar. Our entities in the PRC and Hong Kong use the local currencies, Renminbi (RMB) and the Hong Kong Dollar (HKD), as their functional currencies as determined based on the criteria of ASC 830, "Foreign Currency Translation."

Assets and liabilities are translated at the unified exchange rate as quoted by www.xe.com at the end of the period. Income and expense accounts are translated at the average translation rates and equity accounts are translated at historical rates. Translation adjustments resulting from this process are included in accumulated other comprehensive income in the statement of equity. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred.

Translation adjustments included in accumulated other comprehensive income amounted to $285,201 and $200,368 as of September 30, 2025 and 2024, respectively.

The following table shows the foreign exchange rates set forth in the H.10 statistical release of the Federal Reserve Board used for translation:

	Hong Kong Dollar (HKD)	**Chinese Renminbi (RMB)**
As of September 30, 2025 (Closing Rate)		
United States dollar ($1)	7.7809	7.1190
For the year ended September 30, 2025 (Average Rate)		
United States dollar ($1)	7.7948	7.2125

	Hong Kong Dollar (HKD)	Chinese Renminbi (RMB)
As of September 30, 2024 (Closing Rate)		
United States dollar ($1)	7.7693	7.0176
For the year ended September 30, 2024 (Average Rate)		
United States dollar ($1)	7.8127	7.2043

Deconsolidation

On January 17, 2025, the Company completed the separation of King Eagle (Hangzhou) through King Eagle (Tianjin) sold 55% of the outstanding shares of King Eagle (Hangzhou). Upon closing the transaction, the Company deconsolidated King Eagle (Hangzhou) from its consolidated financial statements. In connection with the deconsolidation, the Company recorded a pre-tax gain on the disposal of $147,579 and equity in net losses of $36,118 in the Consolidated Statements of Operations and Comprehensive Loss for the year ended September 30, 2025.

Cash and Cash Equivalents

Cash and cash equivalents are carried at cost and represent cash on hand, demand deposits placed with banks or other financial institutions and a certain amount of cash kept in electronic wallets, “e-wallets.”

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. We maintain accounts with various financial institutions in the PRC, and also e-wallets. As of September 30, 2025 and 2024, cash balances held in PRC banks are uninsured. Monies that are held in e-wallets are deemed equivalent to cash, are highly liquid, and are relatively unsafe compared to cash in banks. We have not experienced any losses in bank accounts or e-wallets and believe that we are not exposed to significant risks with respect to our cash in bank accounts and that we are exposed to low risk with respect to our cash kept in e-wallets.

Inventory

Inventory consists of trading goods, which include wines, gel and essence for beauty, ointment for health, prepaid cards, and detection kits. Inventory is measured at the lower of cost or net realizable value on a first-in, first-out basis. When evidence exists that the net realizable value of inventory is lower than its cost, provisions shall be made to write inventory down and a loss shall be recognized in earnings in the period in which it occurs. That loss may be required, for example, due to damage, physical deterioration, obsolescence, changes in price levels, or other reasons. As of September 30, 2025, there was no inventory located at third-party warehouses. The Company has not recorded impairment of inventory as of September 30, 2025 and 2024.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Gains and losses on dispositions of property and equipment are included in operating income (loss). Major additions, renewals, and improvements are capitalized, while maintenance and repairs are recognized as expense as incurred.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method over the useful lives of the assets as follows:

Classification	Estimated useful life
Leasehold improvements	1-3 years
Office equipment	3 years
Computer equipment	3 years
Computer software	5 years

Intangible Assets

Intangible assets represent the licensing cost for trademark registration. For intangible assets with indefinite lives, the Company evaluates intangible assets for impairment at least annually and more often whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value. Intangible assets with definite lives are amortized over their estimated useful lives, and are reviewed annually for impairment. The Company has not recorded impairment of intangible assets as of September 30, 2025 and 2024.

Impairment of Long-lived Assets

Long-lived assets, including buildings and intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be recoverable. We assess the recoverability of the assets based on the undiscounted future cash flows the assets are expected to generate and recognize an impairment loss when estimated discounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. When we identify an impairment, we reduce the carrying amount of the asset to the estimated fair value based on a discounted cash flows approach or, when available and appropriate, to comparable market values. As of September 30, 2025 and 2024, management determined that there was no impairment.

Investment in associate held for sale

Pursuant to ASC 323, the associate is accounted for using the equity method of accounting as the Company has the ability to exercise significant influence over operating and financial policies of the investee but does not have a controlling financial interest. Our judgment regarding the level of influence over an equity method investment includes considering key factors such as our ownership interest, representation on the board of directors, participation in policy making decisions and material intercompany transactions. Under this method of accounting, the Company records its proportionate share of the net earnings or losses of the equity method investee and a corresponding increase or decrease to the investment balance. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. The Company intends to sell its stake in King Eagle (Hangzhou) and evaluates the sale to be unachievable in the near future.

As of September 30, 2025 and 2024, the investments in associate held for sale at equity of the Company were $19,595 and $15,743, respectively.

Fair Value Measurements

The Company applies the provisions of ASC Subtopic 820-10, “Fair Value Measurements,” for fair value measurements of financial assets and financial liabilities and for fair value measurements of non-financial items that are recognized or disclosed at fair value in the financial statements. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes three levels of inputs that may be used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

The Company's financial assets and liabilities include cash, receivables, accounts payable, and accrued expenses.

Related Party Transactions

The Company follows the ASC 850-10, "Related Party Disclosures" for the identification of related parties and disclosure of related party transactions.

Pursuant to section 850-10-20 the related parties include a) affiliates of the Company; b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of section 825-10-15, to be accounted for by the equity method by the investing entity; c) trusts for the benefit of employees, such as pension and income-sharing trusts that are managed by or under the trusteeship of management; d) principal owners of the Company; e) management of the Company; f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The consolidated financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a) the nature of the relationship(s) involved; b) a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented; and c) such other information deemed necessary to an understanding of the nature of the related party transactions.

Comprehensive Income (Loss)

Other comprehensive income (loss) refers to revenues, expenses, gains and losses that under generally accepted accounting principles are included in comprehensive income but are excluded from net income (loss) as these amounts are recorded directly as an adjustment to stockholders' equity. Our other comprehensive loss for the years ended September 30, 2025 and 2024 was comprised of foreign currency translation adjustments.

Accounts receivables and allowance for doubtful accounts

Accounts receivable, including other receivables is presented net of allowance for doubtful accounts. Our other receivable consists mainly of deposits and advances. The provision for doubtful accounts reflects the current estimate of credit losses expected to be incurred over the life of the financial asset, based on historical experience, current conditions and reasonable forecasts of future economic conditions. Further, we evaluate the collectability of our accounts receivable and if there is doubt that we will collect the full amount, we will record a reserve specific to that customer's receivable balance. There was no allowance for expected credit loss as of September 30, 2025 and 2024.

Revenue Recognition

Revenue is comprised of sales of goods and represents the amount of consideration the Company is entitled to upon the transfer of goods. Pursuant to FASB ASU No. 2016-08, Revenue from Contracts with Customers (TOPIC 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), the Company recorded revenue on a gross basis, net of surcharges and value added tax ("VAT") of gross sales. The Company recorded revenue on a gross basis because the Company is the primary obligor of the sales arrangements has latitude in establishing prices, has discretion in suppliers' selection and assumes credit risks on receivables on gross sales from customers.

The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and

- recognize revenue as the performance obligation is satisfied.

Consistent with the criteria of ASC 606 “Revenue from Contracts with Customers,” we recognize revenue when performance obligations are satisfied by transferring control of a promised good or service to a customer. For performance obligations that are satisfied at a point in time, we also consider the following indicators to assess whether control of a promised good or service is transferred to the customer: (i) right to payment, (ii) legal title, (iii) physical possession, (iv) significant risks and rewards of ownership, and (v) acceptance of the good or service. For performance obligations satisfied over time, we recognize revenue over time by measuring the progress toward complete satisfaction of a performance obligation.

The Company recognizes sales of goods as revenue at a point in time when the control of the products has been transferred to customers. The transfer of control is considered complete when products have been shipped to our customers.

The Company provide health equipment-based services to customers for the use of health equipment. Equipment are either purchased by the Company or displayed in the Company’s office by equipment suppliers. Revenue is recognised overtime based on the number of times that the customer use the service. Customer confirms the records after the use of service. Service revenue and cost of the service recognized when the customer uses the equipment. Cost of service includes the depreciation of the equipment purchased recognized on a straight-line basis and cost of technical service fee.

Contract Liabilities

Contract liabilities results from transactions where the Company has received the payments from the customers but revenue recognition criteria under the five-step model of ASC Topic 606 have yet to be met. Once all revenue recognition criteria have been satisfied, the revenues will be recognized upon the transfer of risk and rewards to the customers in the consolidated statement of operations. We anticipated the majority of the revenue will be recognized in the fiscal year 2026.

Lease

Under ASC Topic 842, the Company determines if an arrangement is a lease at inception. Lease assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is the Company’s incremental borrowing rate based on the information available at the lease commencement date. The Company generally uses the base, non-cancelable lease term in calculating the right-of-use assets and lease liabilities.

The Company may recognize the lease payments in the consolidated statements of operation on a straight-line basis over the lease terms and variable lease payments in the periods in which the obligations for those payments are incurred, if any. The lease payments under the lease arrangements are fixed.

The Company elected the package of practical expedients which allow the Company to carryforward its historical lease classification, its assessment on whether a contract is or contains a lease, and its initial direct costs for any lease that exists prior to adoption of the new standard.

The Company also elected to apply the short-term lease exception for lease arrangements with a lease term of 12 months or less at commencement. Lease terms used to compute the present value of lease payments do not include any option to extend, renew, or terminate the lease that the Company is not reasonably certain to exercise upon the lease inception. Accordingly, operating lease right-of-use assets and liabilities do not include leases with a lease term of 12 months or less.

General and Administrative Expenses

We purchase the consumer preventive health food and health related household products sold on our platforms from our suppliers and we did not develop, design, or manufacture those products. Moreover, although we have built our online platform and mobile commerce in-house, the compensation costs for our in-house technology team were not significant. Accordingly, instead of capitalizing the compensation costs of our in-house technology team as research and development on our balance sheet or presenting it as research and development expenses, we included these amounts in employee compensation and benefit expenses within general and administrative expenses for the years ended September 30, 2025 and 2024.

Selling Expenses

Selling expenses consist primarily of marketing and promotional service fees to service agents and other costs incurred by our sales and marketing department such as staff costs, office supplies, and other incidental expenses that are incurred directly to attract or retain customers.

Our selling expenses for the years ended September 30, 2025 and 2024 were $1,186,554 and $1,655,024, respectively. We recognized marketing and promotional service expenses when our service agents performed marketing activities, promotions, and exhibitions for our business and products. For the years ended September 30, 2025 and 2024, we recorded marketing and promotional service fees to our service agents in an amount of $708,637 and $1,103,031, respectively.

Concentration of Risk

Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and other receivables. As of September 30, 2025 and 2024, $110,302 (RMB785,240) and $69,484 (RMB487,611), respectively, were deposited with various major financial institutions located in the PRC. While management believes that these financial institutions are of high credit quality, it also continually monitors their credit worthiness.

Historically, deposits in Chinese banks are secure due to state policy to protect depositor interests. However, China promulgated a Bankruptcy Law in August 2006 that came into effect on June 1, 2007, which contains a separate article expressly stating that the State Council may promulgate implementation measures to provide for the bankruptcy of Chinese banks based on the Bankruptcy Law. Under the current Bankruptcy Law, a Chinese bank may file bankruptcy if it deems itself to be insolvent. In addition, since China’s concession to the World Trade Organization, foreign banks have been gradually permitted to operate in China and have intensified competition in many aspects, especially since the opening of the Renminbi business to foreign banks in late 2006. Therefore, the risk of bankruptcy at the institutions that the Company maintains deposits has increased. In the event of bankruptcy, the Company is unlikely to reclaim its deposits in full since it is unlikely to be classified as a secured creditor under PRC laws.

Risks of variable interest entity structure

In the opinion of management, (i) the corporate structure of the Company is in compliance with existing PRC laws and regulations; (ii) the VIE Arrangements are valid and binding, and do not result in any violation of PRC laws or regulations currently in effect; and (iii) the business operations of the foreign-invested enterprise and the VIE are in compliance with existing PRC laws and regulations in all material respects.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, the Company cannot be assured that PRC regulatory authorities will not ultimately take a contrary view to the foregoing opinion of its management. If the current corporate structure of the Company or the VIE Arrangements is found to be in violation of any existing or future PRC laws and regulations, the Company may be required to restructure its corporate structure and operations in the PRC to comply with changing and new PRC laws and regulations. In the opinion of management, the likelihood of loss in respect of the Company’s current corporate structure or the VIE Arrangements is remote based on current facts and circumstances.

Foreign currency exchange risk

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in greater fluctuation of the RMB against the U.S. dollar. The Company is a holding company and it relies on dividends paid by the Company's operating subsidiaries in China for its cash needs. Any significant revaluation of the RMB may materially and adversely affect its liquidity and cash flows. To the extent that the Company needs to convert U.S. dollars into RMB for its operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount the Company would receive. Conversely, if the Company decides to convert RMB into U.S. dollars for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount the Company would receive.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. See "Commitments and Contingencies" in Note 17. In meeting its liquidity requirements, the Company continues to focus on increasing its revenue through the sale of consumer health care products on its online platform, King Eagle Mall, and promoting its own brand of preventive health care related products on its online platform to reduce its costs of goods sold, streamlining its overhead costs, or obtaining financing from its stockholders or directors or through bank financing. However, the Company cannot provide any assurance that it will be able to increase revenue or successfully implement its business plan, or that financing will be available to it on commercially acceptable terms, or at all. The directors will continue to support the group by providing adequate financial assistance to enable the group to continue its business operations for the foreseeable future.

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America which contemplate continuation of the Company as a going concern. The Company's ability to continue as a going concern is dependent upon generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. For the year ended September 30, 2025, the Company experienced cash outflows from operating activities of $208,156, incurred a net loss of $1,268,913, and had negative working capital of $8,495,197. These conditions raise substantial doubt about the ability of the Company to continue as a going concern.

Concentration of customers and vendors

There was no revenue from customers that individually represent greater than 10% of the Company's total revenue for the years ended September 30, 2025 and 2024.

For the year ended September 30, 2025, two major vendors accounted for 56.4% of the Company's total cost of revenues.

For the year ended September 30, 2024, four major vendor accounted for 72.0% of the Company's total cost of revenues.

Income Taxes

We account for income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Company records a valuation allowance against deferred tax assets if, based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

We apply ASC 740, *Accounting for Income Taxes*, to account for uncertainty in income taxes and the evaluation of a tax position is 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 the resolution of any related appeals or litigation based on the technical merits of that position. The second step is to measure a tax position that meets the more-likely-than-not threshold to determine the amount of benefit to be recognized in the financial statements. A tax position is measured at the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent period in which the threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not criteria should be de-recognized in the first subsequent financial reporting period in which the threshold is no longer met.

Commitments and Contingencies

The Company follows the ASC 450-20, "Contingencies" to report accounting for contingencies. Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time that these matters will have a material adverse effect on the Company's financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Segment Reporting

The Company adopted ASU 2023-07, Improvements to Reportable Segment Disclosures (Topic 280) for the year ended September 30, 2025. ASC 280 defines that an operating segment is a component of a public entity with a discrete financial information and operating results available for regular review by the entity's Chief Operating Decision Maker ("CODM"). The Company's CODM is the CFO who review financial information presented on a consolidated basis, using single measure of operating profit and a total of expense amount. No disaggregated expense categories are regularly reviewed by the CODM. As such, the Company has not identified any segment expense categories that meet the criteria for disclosure under ASC280, as amended by ASU 2023-07. All of the Company's long-lived assets are located in PRC Beijing. As such, one reportable geographic segment is being presented.

Non-controlling Interest

For the Company's non-wholly owned subsidiaries, a noncontrolling interest is recognized to reflect the portion of equity that is not attributable, directly or indirectly, to the Company. The non-controlling interests are presented in the consolidated balance sheets, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Company are presented on the consolidated statement of operations as an allocation of the total income or loss for the year between non-controlling interest holders and the shareholders of the Company.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, Income Statement — Reporting Comprehensive Income (Topic 220-40): Expense Disaggregation Disclosures ("ASU 2024-03"). This update requires, among other things, more detailed disclosure about types of expenses in commonly presented expense captions such as cost of sales and selling, general, and administrative expenses, and is intended to improve the disclosures about an entity's expenses including purchases of inventory, employee compensation, depreciation and amortization. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of the on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets ("ASU 2025-05"). The amendments in ASU 2025-05 provide entities with a practical expedient to simplify the estimation of expected credit losses on current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606, Revenue from Contracts with Customers ("ASC 606") by allowing the assumption that current conditions as of the balance sheet date will not change during the remaining life of the asset. ASU 2025-05 is effective for the Company for its annual reporting periods beginning July 1, 2026, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact ASU 2025-05 will have on its consolidated financial statements.

In January 2025, the FASB issued ASU 2025-01 Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40). The FASB issued ASU 2024-03 on November 4, 2024. ASU 2024-03 states that the amendments are effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Following the issuance of ASU 2024-03, the FASB was asked to clarify the initial effective date for entities that do not have an annual reporting period that ends on December 31 (referred to as non-calendar year-end entities). Because of how the effective date guidance was written, a non-calendar year-end entity may have concluded that it would be required to initially adopt the disclosure requirements in ASU 2024-03 in an interim reporting period, rather than in an annual reporting period. The FASB's intent in the basis for conclusions of ASU 2024-03 is clear that all public business entities should initially adopt the disclosure requirements in the first annual reporting period beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

Other than those disclosed above, management does not believe that any recently issued or recently issued but not yet adopted accounting pronouncements will have a material impact on the Company's financial position, results of operations, or cash flows.

NOTE 3 - VARIABLE INTEREST ENTITIES ("VIE") ARRANGEMENTS

On May 15, 2021, King Eagle (China) entered into a series of contractual arrangements with King Eagle (Tianjin) and its shareholders. As a result of the contractual arrangements, the Company classified King Eagle (Tianjin) as a Variable Interest Entity ("VIE").

King Eagle (Tianjin) Technology Co., Ltd. ("King Eagle (Tianjin)") was incorporated as a limited liability company in Tianjin Pilot Free Trade Zone in the People's Republic of China on September 2, 2020, with a registered capital of approximately $1.5 million (RMB 10 million). As of September 30, 2025, it is owned by the following individuals: Yuanyuan Zhang (approximately 32.74%), Zhandong Fan (approximately 27.74%), Xiujin Wang (approximately 10.52%), Jinjing Zhang, Wanfeng Hu, Cuilian Liu, and Zhizhong Wang (each of whom owns approximately 6.00%), and Hui Teng (approximately 5.00%). Those shareholders also indirectly owned KP International Holding prior to its acquisition by the Company through two British Virgin Islands entities: Kunpeng Tech Limited and Kunpeng TJ Limited.

The VIE Agreements are as follows:

1. Consulting Service Agreement
2. Business Operation Agreement
3. Proxy Agreement
4. Equity Disposal Agreement
5. Equity Pledge Agreement

Consulting Service Agreement

Pursuant to the terms of a certain Exclusive Consulting Service Agreement dated May 15, 2021, between King Eagle (China) and King Eagle (Tianjin) (the "Consulting Service Agreement"), King Eagle (China) is the exclusive consulting service provider to King Eagle (Tianjin) to provide business-related software research and development services; design, installation, and testing services; network equipment support, upgrade, maintenance, monitor, and problem-solving services; employees technical training services; technology development and sublicensing services; public relations services; market investigation, research, and consultation services; short to medium term marketing plan-making services; compliance consultation services; marketing events and membership related activities organizing services; intellectual property permits; equipment and rental services; and business-related management consulting services. Pursuant to the Consulting Service Agreement, the service fee is the remaining amount after King Eagle (Tianjin)'s profit before tax in the corresponding year deducts King Eagle (Tianjin)'s losses, if any, in the previous year, the necessary costs, expenses, taxes, and fees incurred in the corresponding year, and the withdraws of the statutory provident fund. King Eagle (Tianjin)agreed not to transfer its rights and obligations under the Consulting Service Agreement to any third party without prior written consent from King Eagle (China). In addition, King Eagle (China) may transfer its rights and obligations under the Consulting Service Agreement to King Eagle (China)'s affiliates without King Eagle (Tianjin)'s consent, but King Eagle (China) shall notify King Eagle (Tianjin) of such transfer. This Agreement is valid for a term of 10 years subject to any extension requested by King Eagle (China) unless terminated by King Eagle (China) unilaterally prior to the expiration.

Business Operation Agreement

Pursuant to the terms of a certain Business Operation Agreement dated May 15, 2021, among King Eagle (China), King Eagle (Tianjin)and the shareholders of King Eagle (Tianjin) (the "Business Operation Agreement"), King Eagle (Tianjin) has agreed to subject the operations and management of its business to the control of King Eagle (China). According to the Business Operation Agreement, King Eagle (Tianjin) is not allowed to conduct any transactions that has substantial impact upon its operations, assets, rights, obligations and personnel without the King Eagle (China)'s written approval. The shareholders of King Eagle (Tianjin) and King Eagle (Tianjin) will take King Eagle (China) 's advice on appointment or dismissal of directors, employment of King Eagle (Tianjin)'s employees, regular operation, and financial management of King Eagle (Tianjin). The shareholders of King Eagle (Tianjin) have agreed to transfer any dividends, distributions or any other profits that they receive as the shareholders of King Eagle (Tianjin) to King Eagle (China) without consideration. The Business Operation Agreement is valid for a term of 10 years or longer upon the request of King Eagle (China) prior to the expiration thereof. The Business Operation Agreement might be terminated earlier by King Eagle (China) with a 30-day written notice. The Business Operation Agreement was terminated on June 10, 2025 as a result of a change in ownership of King Eagle (Tianjin) and an identical Business Operation Agreement was entered into on the same date.

Proxy Agreement

Pursuant to the terms of the Proxy Agreement dated on May 15, 2021, among King Eagle (China), and the shareholders of King Eagle (Tianjin) (the "Proxy Agreement"), the shareholders of King Eagle (Tianjin) have entrusted their voting rights as King Eagle (Tianjin)'s shareholders to King Eagle (China) for the longest duration permitted by PRC law. The Proxy Agreement can be terminated by mutual consent of the King Eagle (Tianjin) shareholders and King Eagle (China) or upon a 30-day notice by King Eagle (China). The Proxy Agreement was terminated on June 10, 2025 as a result of a change in ownership of King Eagle (Tianjin) and an identical Proxy Agreement was entered into on the same date.

Equity Disposal Agreement

Pursuant to the terms of the Equity Disposal Agreement dated on May 15, 2021, among King Eagle (China), King Eagle (Tianjin), and the shareholders of King Eagle (Tianjin) (the "Equity Disposal Agreement"), the shareholders of King Eagle (Tianjin) granted King Eagle (China) or its designees an irrevocable and exclusive purchase option (the "Option") to purchase King Eagle (Tianjin)'s all or partial equity interests and/or assets at the lowest purchase price permitted by PRC laws and regulations. The option is exercisable at any time at King Eagle (China)'s discretion in full or in part, to the extent permitted by PRC law. The shareholders of King Eagle (Tianjin) agreed to give King Eagle (Tianjin) the total amount of the exercise price as a gift, or in other methods upon King Eagle (China)'s written consent to transfer the exercise price to King Eagle (Tianjin). The Equity Disposal Agreement is valid for a term of 10 years or longer upon the request of King Eagle (China). The Equity Disposal Agreement was terminated on June 10, 2025 as a result of a change in ownership of King Eagle (Tianjin) and an identical Equity Disposal Agreement was entered into on the same date.

Equity Pledge Agreement

Pursuant to the terms of certain Equity Pledge Agreement dated on May 15, 2021, among King Eagle (China) and the shareholders of King Eagle (Tianjin) (the "Pledge Agreement"), the shareholders of King Eagle (Tianjin) pledged all of their equity interests in King Eagle (Tianjin) to King Eagle (China), including the proceeds thereof, to guarantee King Eagle (Tianjin)'s performance of its obligations under the Business Operation Agreement, the Consulting Service Agreement and the Equity Disposal Agreement (each, an "Agreement," collectively, the "Agreements"). If King Eagle (Tianjin) or its shareholders breach their respective contractual obligations under any Agreement, or cause to occur one of the events regarded as an event of default under any Agreement, King Eagle (China), as pledgee, will be entitled to certain rights, including the right to dispose of the pledged equity interest in King Eagle (Tianjin). During the term of the Pledge Agreement, the pledged equity interests cannot be transferred without King Eagle (China)'s prior written consent. The Pledge Agreement is valid until all the obligations due under the Agreements have been fulfilled. The Pledge Agreement was terminated on June 10, 2025 as a result of a change in ownership of King Eagle (Tianjin) and an identical Pledge Agreement was entered into on the same date.

A VIE is an entity that has either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest, such as voting rights and the right to receive the expected residual returns of the entity or the obligation to absorb the expected losses of the entity. The variable interest holder, if any, that has a controlling financial interest in a VIE is deemed to be the primary beneficiary and must consolidate the VIE. King Eagle (China) is deemed to have a controlling financial interest and be the primary beneficiary of King Eagle (Tianjin) because it has both of the following characteristics:

(1) The power to direct the activities of King Eagle (Tianjin) that most significantly impact such entity's economic performance, and

(2) The obligation to absorb losses of, or the right to receive benefits from, King Eagle (Tianjin) that could potentially be significant to such entity.

As of the date of this Annual Report, King Eagle (Tianjin) has five wholly-owned subsidiaries and one 40% owned subsidiary: King Eagle (Beijing) Technology Co., Ltd, Kun Zhi Jian (Shandong) Health Management Co., Ltd, Chengdu Wenjiang Pengrun Shangyibang Internet Healthcare Co., Ltd. and Kun Yu (Hainan) Technology Co., Ltd, which were established by King Eagle (Tianjin) on December 1, 2022, January 30, 2024, February 1, 2024 and August 20, 2025, respectively, in the PRC and Kun Pin Hui (Shandong) Trading Co., Ltd., which was established in the PRC on November 23, 2023 and acquired by King Eagle (Tianjin) on April 7, 2024; 40% shares owned in King Eagle (Hangzhou), incorporated on July 18, 2024 (55% was disposed during the year and as at September 30, 2025). King Eagle (Tianjin) is the controlling shareholder under the company laws of the PRC. The binding rights over the VIE's subsidiaries in the contractual arrangements between King Eagle (China) and King Eagle (Tianjin) are implicit and indirect and the company laws and regulations in the PRC governing the business operations of the VIE's subsidiaries are uncertain.

Pursuant to the VIE Agreements, the shareholders of King Eagle (Tianjin) have agreed to transfer any dividends, distributions, or other profits that they receive to King Eagle (China). King Eagle (Tianjin) pays service fees equal to all of its net profit after tax to King Eagle (China). The VIE Agreements are designed so that King Eagle (Tianjin) operates for the benefit of King Eagle (China) and ultimately the Company.

Moreover, King Eagle (Tianjin) has agreed to subject the operations and management of its business to the full control of King Eagle (China) and King Eagle (Tianjin) will take King Eagle (China)'s advice on the appointment or dismissal of directors and employment, regular operation, and financial management. Accordingly, the Company consolidates the accounts of King Eagle (Tianjin) and its subsidiaries for the periods presented herein, in accordance with Accounting Standards Codification, or ASC, 810-10, "Consolidation."

VIE Financial Information

Set forth below is the consolidated balance sheet information as of September 30, 2025 and September 30, 2024, and the consolidated statements of operations and cash flows for the years ended September 30, 2025 and 2024, showing financial information for the parent company, Kun Peng International Limited, the non-VIE subsidiaries (as defined below), and the VIE (as defined below), eliminating entries, and consolidated information (in dollars). In the tables below, the column headings correspond to the following entities:

"Parent entity" refers to Kun Peng International Limited;

"Non-VIE and WFOE subsidiaries" refers to the following entities:

- Kun Peng International Holding Limited ("KP International Holding")
- Kun Peng (Hong Kong) Industrial Development Limited ("KP (Hong Kong)")
- Kun Peng Tian Yu Health Technology Co., Ltd. ("KP Tian Yu") since March 3, 2023
- King Eagle (China) Co., Ltd. ("King Eagle (China)") until March 3, 2023

"WFOE" refers to King Eagle (China) until March 3, 2023 and KP Tian Yu commencing March 3, 2023;

"VIE" refers to King Eagle (Tianjin) Technology Co., Ltd. ("King Eagle (Tianjin)"), King Eagle (Beijing) Technology Co., Ltd ("King Eagle (Beijing)"), King Eagle (Hangzhou) was a subsidiary of King Eagle VIE till it became an associate in Jan 2025, ("Kun Zhi Jian (Huai'an)"), Kun Zhi Jian (Shandong) Health Management Co., Ltd ("Kun Zhi Jian (Shandong)"), Chengdu Wenjiang Pengrun Shangyibang Internet Healthcare Co., Ltd ("Chengdu Wenjiang"), Kun Pin Hui (Shandong) Trading Co., Ltd ("Kun Pin Hui (Shandong)") and Kun Yu (Hainan) Technology Co., Ltd ("Kun Yu").

Consolidated Balance Sheet

As of September 30, 2025

	Parent Only	Non-VIE and Non-WFOE Subsidiaries Consolidated	WFOE	VIE and VIE's Subsidiaries Consolidated	Elimination Entries and Reclassification Entries	Consolidated
Cash and cash equivalent	$ -	$ 805	$ 88	$ 25,391	$ -	$ 26,284
Intercompany receivables-current	245,821	625,960	-	2,732,021	(3,603,802)	-
Total current assets	245,821	633,797	552	3,223,079	(3,603,802)	499,447
Intercompany receivables-noncurrent	-	4	-	-	(4)	-
Total noncurrent assets	34,160	2,259	-	339,107	(34,164)	341,362
Total assets	279,981	636,056	552	3,562,186	(3,637,966)	840,809
Intercompany payables	1,223,019	2,012,945	1,236	154,451	(3,391,651)	-
Total current liabilities	1,298,719	2,060,771	1,510	9,025,295	(3,391,651)	8,994,644
Total noncurrent liabilities	-	-	-	34,006	-	34,006
Total liabilities	1,298,719	2,060,771	1,510	9,059,301	(3,391,651)	9,028,650
Total shareholders' equity	(1,018,738)	(1,424,715)	(958)	(5,497,115)	(246,315)	(8,187,841)
Non-controlling interests	-	-	-	-	-	-
Total equity	(1,018,738)	(1,424,715)	(958)	(5,497,115)	(246,315)	(8,187,841)
Total liabilities and equity	$ 279,981	$ 636,056	$ 552	$ 3,562,186	$ (3,637,966)	$ 840,809

As of September 30, 2024

	Parent Only	Non-VIE and Non-WFOE Subsidiaries Consolidated	WFOE	VIE and VIE's Subsidiaries Consolidated	Elimination Entries and Reclassification Entries	Consolidated
Cash and cash equivalent	$ -	$ 981	$ 71	$ 81,132	$ -	$ 82,184
Intercompany receivables-current	-	531,169	-	2,316,724	(2,847,893)	-
Total current assets	-	564,532	71	2,831,808	(2,847,893)	548,518
Intercompany receivables-noncurrent	-	4	-	-	(4)	-
Total noncurrent assets	34,160	145,641	-	785,031	(34,164)	930,668
Total assets	34,160	710,173	71	3,616,839	(2,882,057)	1,479,186
Intercompany payables	970,159	1,846,491	969	51,757	(2,869,376)	-
Total current liabilities	994,159	2,071,841	1,033	8,344,402	(2,865,015)	8,546,420
Total noncurrent liabilities	-	-	-	121,484	-	121,484
Total liabilities	994,159	2,071,841	1,033	8,465,886	(2,865,015)	8,667,904
Total shareholders' equity	(959,999)	(1,239,530)	(962)	(4,967,444)	(16,941)	(7,184,876)
Non-controlling interests	-	(122,138)	-	118,397	(101)	(3,842)
Total equity	(959,999)	(1,361,668)	(962)	(4,849,047)	(17,042)	(7,188,718)
Total liabilities and equity	$ 34,160	$ 710,173	$ 71	$ 3,616,839	$ (2,882,057)	$ 1,479,186

Consolidated Statements of Operations Data

	For the fiscal year ended September 30, 2025					
	Parent Only	**Non-VIE and Non-WFOE Subsidiaries Consolidated**	**WFOE**	**VIE and VIE's Subsidiaries Consolidated**	**Eliminating Adjustments**	**Consolidated Totals**
Revenue	$ -	$ -	$ -	$ 1,438,127	$ -	$ 1,438,127
Intercompany revenue	-	366,241	-	-	(366,241)	-
Cost of revenue and related tax	-	628	-	479,204	-	479,832
Gross profit	-	365,613	-	958,923	(366,241)	958,295
Total operating expenses	304,560	415,370	9	2,384,307	(366,241)	2,738,005
Intercompany operating expenses	-	-	-	366,241	(366,241)	-
Loss from operations	(304,560)	(49,757)	(9)	(1,425,384)	-	(1,779,710)
Other (income) expense	-	(32,889)	-	541,652	2,034	510,797
Loss before income taxes	(304,560)	(82,646)	(9)	(883,732)	2,034	(1,268,913)
Income tax expense	-	-	-	-	-	-
Net loss	$ (304,560)	$ (82,646)	$ (9)	$ (883,732)	$ 2,034	$ (1,268,913)

	For the fiscal year ended September 30, 2024					
	Parent Only	**Non-VIE and Non-WFOE Subsidiaries Consolidated**	**WFOE**	**VIE and VIE's Subsidiaries Consolidated**	**Eliminating Adjustments**	**Consolidated Totals**
Revenue	$ -	$ -	$ -	$ 2,078,741	$ -	$ 2,078,741
Intercompany revenue		700,576	-		(700,576)	-
Cost of revenue and related tax	-	21,378	-	584,260	-	605,638
Gross profit	-	679,198	-	1,494,481	(700,576)	1,473,103
Total operating expenses	203,479	760,968	319	3,201,495	(692,360)	3,473,901
Intercompany operating expenses	-	-	-	630,162	(630,162)	-
Loss from operations	(203,479)	(81,770)	(319)	(1,707,014)	(8,216)	(2,000,798)
Other income	-	38	-	11,500	-	11,538
Loss before income taxes	(203,479)	(81,732)	(319)	(1,695,514)	(8,216)	(1,989,260)
Income tax expense	-	-	-	2,487	-	2,487
Net loss	$ (203,479)	$ (81,732)	$ (319)	$ (1,698,001)	$ (8,216)	$ (1,991,747)

Consolidated Schedules of Cash Flows

	For the fiscal year ended September 30, 2025					
	Parent Only	**Non-VIE and Non-WFOE Subsidiaries Consolidated**	**WFOE**	**VIE and VIE's Subsidiary Consolidated**	**Eliminating Adjustments**	**Consolidated**
Net loss	$ (304,560)	$ (82,646)	$ (9)	$ (883,732)	$ 2,034	$ (1,268,913)
Intercompany receivables	(175,586)	(101,029)	-	40,311	236,304	-
Intercompany payables	252,860	193,571	277	(138,966)	(307,742)	-
Net cash provided by (used in) operating activities	-	1,026	18	35,790	(244,990)	(208,156)
Net cash provided by investing activities	-	-	-	13,679	-	13,679
Net cash provided by (used in) financing activities	173,310	-	-	(100,843)	-	72,467
Effect of exchange rate fluctuation on cash	$ 2,276	$ (1,202)	$ (1)	$ (4,367)	$ 69,404	$ 66,110

	For the fiscal year ended September 30, 2024					
	Parent Only	**Non-VIE and Non-WFOE Subsidiaries Consolidated**	**WFOE**	**VIE and VIE's Subsidiary Consolidated**	**Eliminating Adjustments**	**Consolidated**
Net loss	$ (203,479)	$ (81,732)	$ (319)	$ (1,698,001)	$ (8,216)	$ (1,991,747)
Intercompany receivables	-	(16,942)	-	(943,773)	960,715	-
Intercompany payables	245,479	(148,973)	319	851,289	(948,114)	-
Net cash (used in) provided by operating activities	-	(10,029)	62	23,462	4,385	17,880
Net cash used in investing activities	-	-	-	(554,861)	205,863	(348,998)
Net cash provided by (used in) financing activities	-	-	-	149,974	(204,743)	(54,769)
Effect of exchange rate fluctuation on cash	$ -	$ 553	$ 3	$ 15,440	$ (5,505)	$ 10,491

The Company consolidated its VIE as of September 30, 2025 and September 30, 2024. The carrying amounts and classification of the VIE's assets and liabilities included in the consolidated balance sheets are as follows:

	September 30, 2025	**September 30, 2024**
Assets		
Current assets		
Cash and cash equivalents	$ 25,391	$ 81,132
Trade receivable – intercompany	2,732,021	2,316,724
Advance and prepayments	26,594	147,091
Other receivables – third parties	101,368	251,069
Inventory	6,086	15,700
Amount due from a related party	331,619	20,092
Total current assets	3,223,079	2,831,808
Noncurrent assets		
Property and equipment, net	118,508	265,141
Investment in associate held for sale	19,595	15,743
Operating lease right-of-use assets	89,073	504,147
Finance lease right-of-use assets	111,931	-
Total noncurrent assets	339,107	785,031
Total assets	$ 3,562,186	$ 3,616,839
Liabilities		
Current liabilities		
Short-term borrowing	$ 100,014	$ -
Trade payables	1,961,252	1,952,026
Other payables and accrual	1,561,206	1,194,683
Contract liabilities	294,618	584,116
Intercompany payables	154,451	51,757
Payroll payable	158,427	93,391
Tax payable	129,631	119,291
Amounts due to related parties	4,537,914	3,998,164
Operating lease obligations-current portion	52,017	154,095
Finance lease obligations-current portion	75,765	196,879
Total current liabilities	9,025,295	8,344,402
Noncurrent liabilities		

Operating lease obligations-noncurrent portion	34,006	44,622
Finance lease obligations-noncurrent portion	-	76,862
Total noncurrent liabilities	34,006	121,484
Total liabilities	9,059,301	8,465,886
Commitment and contingencies	-	-
Equity		
Additional paid-in capital	621,184	389,356
Accumulated deficits	(6,344,410)	(5,466,201)
Accumulated other comprehensive income	226,111	109,401
Total stockholders’ equity	(5,497,115)	(4,967,444)
Non-controlling interests	-	118,397
Total equity	(5,497,115)	(4,849,047)
Total liabilities and equity	$ 3,562,186	$ 3,616,839

The operating results of the VIE were as follows:

	For the years ended September 30,	
	2025	2024
Revenue, net	$ 1,438,127	$ 2,078,741
Cost of revenue	(479,204)	(584,260)
Gross profit	958,923	1,494,481
Operating expenses		
General and administrative expenses	866,095	995,430
Intercompany selling expense	366,241	-
Selling expense	1,151,971	2,206,065
Total operating expenses	2,384,307	3,201,495
Loss from operations	(1,425,384)	(1,707,014)
Other income (expenses):		
Interest income	24	426
Other (expense) income	(71,408)	23,500
Waiver of debt	501,575	
Equity in net losses	(36,118)	(12,426)
Gain on disposal of subsidiary	147,579	-
Total other expenses, net	541,652	11,500
Loss before income taxes	(883,732)	(1,695,514)
Income tax expense	-	2,487
Net loss	(883,732)	(1,698,001)
Less: Net loss attributable to non-controlling interest	(5,529)	(20,309)
Net loss attributable to Kun Peng International Ltd	$ (878,203)	$ (1,677,692)

The cash flows of the VIE were as follows:

	For the years ended September 30,	
	2025	2024
Cash flows from operating activities		
Net loss	$ (883,732)	$ (1,698,001)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	86,860	185,192
Amortization of right-of-use assets	284,982	62,490
Waiver of debt	(501,575)	-
Impairment losses	-	8,412
Equity in net losses	36,118	12,426
Gain on disposal of subsidiary	(147,579)	-

Changes in operating assets and liabilities		
Advance and prepayments	116,867	(101,429)
Trade receivable- intercompany	1,011,994	(92,827)
Other receivable – related party	29,355	(40,492)
Other receivables- third parties	115,384	(203,963)
Other receivables- intercompany	(971,683)	(850,946)
Inventory	9,270	93,335
Amount due from a related party	(233,039)	-
Trade payable- third parties	2,181,170	(1,837,412)
Trade payable- intercompany	54,137	239,325
Other payables and accrual- third parties	1,349,395	130,859
Other payables and accrual- intercompany	(193,103)	611,964
Contract liabilities	(273,611)	(1,607,612)
Payroll payable	92,970	53,055
Amounts due to related parties	(2,059,191)	5,229,075
Tax payable	15,521	(68,559)
Operating Lease liabilities	(84,720)	(101,431)
Net cash provided by operating activities	35,790	23,462
Cash flows from investing activities		
Disposal (purchase) of property, plant and equipment	13,679	(320,498)
Long-term investment on stocks	-	(28,500)
Investment in subsidiary	-	(205,873)
Net cash provided by (used in) investing activities	13,679	(554,861)
Cash flows from financing activities		
Capital contribution	-	275,265
Proceeds from bank borrowings	98,718	-
Payment of finance lease liabilities	(199,561)	(125,291)
Net cash (used in) provided by financing activities	(100,843)	149,974
Effect of exchange rate changes on cash	(4,368)	15,440
Net change in cash and cash equivalents	(55,741)	(365,985)
Cash and cash equivalents, beginning balance	81,132	447,117
Cash and cash equivalents, ending balance	$ 25,391	$ 81,132

NOTE 4 - ADVANCE AND PREPAYMENTS

Prepayments consisted of the following:

	September 30, 2025	September 30, 2024
Prepaid rent and building management and utilities	$ 2,837	$ 13,200
Prepaid supplies[(1)]	12,579	49,495
Prepaid income tax	-	5,226
Prepaid professional services[(2)]	5,029	104,742
Advance to others	13,326	6,291
Total Advance and prepayments	$ 33,771	$ 178,954

(1) As of September 30, 2025 and September 30, 2024, the Company had prepaid supplies of $12,579 and $49,495, respectively. The prepayment will be recognized in cost of goods sold in its consolidated statement of operations and comprehensive loss when the corresponding contract liabilities is recognized.

(2) As of September 30, 2024, the ending balance of prepaid professional services represented $104,742 of legal service fees for our PRC entities. The legal service fees will be amortized to general and administrative expenses using the straight-line method, over the service periods of October to November 2024.

As of September 30, 2025, the ending balance of prepaid professional services included $5,029 of advertising and promotion fees for our PRC entities. The advertising and promotion fees will be recognized in the Company’s consolidated statement of operations and comprehensive loss when the related services are performed.

These amounts are expected to be recoverable within twelve (12) months.

NOTE 5 - OTHER RECEIVABLES

Other receivables included the following:

	September 30, 2025	September 30, 2024
Deposits	$ 81,865	$ 136,119
Advance to employees	1,054	42,894
Advance to third-party company	211	34,912
Deductible value added tax	18,557	37,663
Total other receivables	$ 101,687	$ 251,588

Deposits represent payments made to lessors, vendors or service providers.

Advance to employees represents funds provided to our officers and employees for business expenses, such as travel, parking, gasoline, membership, and meals, that are anticipated to be incurred by our officers and employees on behalf of the Company. Advances to employees are required to be repaid in cash within a year.

Advance to third-party company represents funds provided to a third-party company for rental fee and deposit.

NOTE 6 - INVENTORY

Inventory consisted of the following:

	September 30, 2025	September 30, 2024
Trading goods	$ 6,086	$ 15,700
Total	$ 6,086	$ 15,700

No impairment of inventory recognized as of September 30, 2025 and 2024.

NOTE 7 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

	September 30, 2025	September 30, 2024
Leasehold improvements	$ 129,776	$ 199,563
Furniture and fixtures	1,235	4,755
Computer equipment	251,483	291,386
Office equipment	1,479	5,822
Subtotal	383,973	501,526
Less: accumulated depreciation	(265,465)	(209,328)
Total property and equipment, net	$ 118,508	$ 292,198

Depreciation expense was $113,182 and $109,349 for the years ended September 30, 2025 and 2024, respectively.

NOTE 8 - INTANGIBLE ASSETS

	September 30, 2025	September 30, 2024
Trademarks	$ 3,766	$ 3,692
Subtotal	3,766	3,692
Less: accumulated amortization	(1,511)	(1,144)
Total intangible assets, net	$ 2,255	$ 2,548

Intangible assets consist of the Company's trademarks of King Eagle Mall with a useful life of ten years. Approximately $1,071, $1,377, $562, $36, $509, $85 and $127 will expire in July 2031, April 2031, April 2032, September 2032, October 2032, March 2033 and February 2034, respectively.

Amortization expense was $382 and $360 for the years ended September 30, 2025 and 2024, respectively.

NOTE 9 - TRADE AND OTHER PAYABLES

Trade and other payables included the following:

	September 30, 2025	September 30, 2024
Accrued expenses to service agents	$ 2,039,877	$ 3,056,730
Borrowings from service agents*	1,307,154	-
Borrowings from third parties*	67,748	-
Expense reimbursement payable	2,186	54,892
Deposit payable to suppliers	105,351	63,270
Others	120,079	33,534
Total trade and other payables	$ 3,642,395	$ 3,208,426

* Borrowings from service agents and third parties are interest free and return on demand.

NOTE 10 - CONTRACT LIABILITIES

	September 30, 2025	September 30, 2024
Advance payments from customers	$ 294,618	$ 584,116
Total contract liabilities	$ 294,618	$ 584,116

Contract liabilities results from transactions where the Company has received the payments from the customers but revenue recognition criteria under the five-step model have yet to be met. As of September 30, 2025 and September 30, 2024, the Company had total contract liabilities of $294,618 and $584,116, respectively. Once the five-step model criteria have been satisfied, revenues will be recognized upon the transfer of risk and rewards to the customers. Management has agreed that the amount received is non-refundable. However, this term is not bound by any written agreement. Thus, the customers may have the right to challenge and demand that the advances be refunded under relevant commercial laws and regulations.

NOTE 11 - RELATED PARTY TRANSACTIONS

Acquisition of Kun Pin Hui (Shandong) Trading Co. Ltd.

On April 3, 2024, King Eagle VIE entered into a Share Transfer Agreement (the "Share Purchase Agreement") with Zhandong Fan and Yuanyuan Zhang for the acquisition of all the subscribed shares of Kun Pin Hui (Shandong) Trading Co. Ltd.

Pursuant to the Share Purchase Agreement, King Eagle VIE purchased all of the outstanding shares of Kun Pin Hui (Shandong) Trading Co. Ltd., which were held 95% by Zhandong Fan and 5% by Yuanyuan Zhang, for an aggregate consideration of $0.14 (RMB 1). The acquisition closed on April 7, 2024. As of September 30, 2025, King Eagle (Tianjin) had paid $3,698 (RMB27,000) of the registered capital.

Amounts due from related parties

Amounts due from related parties mainly represent monies advanced to officers or employees for daily operating expenses that are anticipated to be incurred by our officers and employees on behalf of the Company. The advances are required to be repaid in cash within a year.

Amounts due from related parties consisted of the following:

Name of related party	Relationship	Nature of transactions	September 30, 2025	September 30, 2024
Ms. Jinjing Zhang	One of the shareholders of King Eagle (Tianjin)	Advanced to officers or employees for operating expenses	$ -	$ 7,125
Ms. Xiujin Wang	One of the shareholders of King Eagle (Tianjin), beneficial owner of shares of the Company through her control of Kun Peng XJ Limited	Advanced to officers or employees for operating expenses	-	7,125
Beijing Paiyue Technology Co., LTD	95% held by Ms. Chengyuan Li, a prior shareholder of King Eagle (Tianjin) and a director of the Company; beneficial owner of shares of the Company through its control of Kun Peng TJ Limited	Input VAT, offset once invoice was issued	-	5,842
King Eagle (Hangzhou) Health Technology Co., Ltd	40% held by King Eagle (Tianjin)	Advanced for operating expenses	84,282	-
Chongbao (Beijing) Auction Co., Ltd.	100% held by Beijing Paiyue Technology Co., LTD	Account receivable	247,337	-
Total			$ 331,619	$ 20,092

Amounts due to related parties

Amounts due to related parties are payables arising from transactions between the Company and related parties, such as payments of agency service charges to a related company, payments of operating expenses by such related parties on behalf of our entities in the PRC, and funding to meet working capital requirements. The payables owed to the related parties are interest free, unsecured, and repayable on demand.

Amounts due to related parties consisted of the following:

Name of related party	Relationship	Nature of transactions	September 30, 2025	September 30, 2024
Ms. Chengyuan Li	A prior shareholder of King Eagle (Tianjin); a director of the Company; beneficial owner of shares of the Company through her control of Beijing Paiyue Technology Co., LTD, which controls Kun Peng TJ Limited	Operational support to King Eagle (Tianjin) to meet its working capital requirements	$ 2,647,984	$ 2,686,246
Ms. Xiujin Wang	One of the shareholders of King Eagle (Tianjin); beneficial owner of shares of the Company through her control of Kun Peng XJ Limited	Operational support to King Eagle (Tianjin) to meet its working capital requirements	252,845	260,773
Mr. Richun Zhuang	Chief Executive Officer and Director of the Company; beneficial owner of shares of the Company through his control of Kun Peng RC Limited	Operational support to King Eagle (Tianjin) to meet its working capital requirements	424,108	234,981

Ms. Yuanyuan Zhang	One of the shareholders of King Eagle (Tianjin), CFO of the Company	Operational support to King Eagle (Tianjin) to meet its working capital requirements	-	121,094
Ms. Jinjing Zhang	One of the shareholders of King Eagle (Tianjin)	Operational support to King Eagle (Tianjin) to meet its working capital requirements	2,388	3,847
Mr. Zhandong Fan	One of the shareholders of King Eagle (Tianjin)	Operational support to King Eagle (Tianjin) to meet its working capital requirements	3,793	3,847
Mr. Cairong Ji	Legal representative of King Eagle (Hangzhou)	Operational support to King Eagle (Tianjin) to meet its working capital requirements	-	2,391
Mr. Jianxin Niu	Legal representative and the director of Chongbao (Beijing) Auction Co., Ltd.	Operational support to King Eagle (Tianjin) to meet its working capital requirements	34,097	-
Tianjin Qianying Technology Co., Ltd.	100% held by Ms. Jinjing Zhang, one of the shareholders of King Eagle (Tianjin)	Payments of agency service charges	828,644	753,455
Beijing Paiyue Technology Co., LTD	95% held by Ms. Chengyuan Li, a prior shareholder of King Eagle (Tianjin) and a director of the Company; beneficial owner of shares of the Company through its control of Kun Peng TJ Limited	Payments of agency service charges	165,959	2,779
Chongbao (Beijing) Auction Co., Ltd.	100% held by Beijing Paiyue Technology Co., LTD	Payments of service charges	178,096	-
Total			$ 4,537,914	$ 4,069,413

Related parties transactions

Name of related party	Relationship	Nature of transactions	September 30, 2025	September 30, 2024
Chongbao (Beijing) Auction Co., Ltd.	100% held by Beijing Paiyue Technology Co., LTD	Revenue	233,039	-
Chongbao (Beijing) Auction Co., Ltd.	100% held by Beijing Paiyue Technology Co., LTD	Selling expense -- service agents	50,380	-
Tianjin Qianying Technology Co., Ltd.	100% held by Ms. Jinjing Zhang, one of the shareholders of King Eagle (Tianjin)	Selling expense -- service agents	145,488	306,533
Beijing Paiyue Technology Co., LTD	95% held by Ms. Chengyuan Li, a prior shareholder of King Eagle (Tianjin) and a director of the Company; beneficial owner of shares of the Company through its control of Kun Peng TJ Limited	General administration expenses --rental expense	48,046	57,721
Total			$ 476,953	$ 364,254

NOTE 12 - EQUITY

Effective as of September 9, 2021, the Company's Articles of Incorporation were amended to increase the Company's authorized capital to 210,000,000 authorized shares of capital stock with 200,000,000 designated as $0.0001 par value common stock and 10,000,000 designated as $0.0001 par value preferred stock.

Effective on October 12, 2022, a Certificate of Amendment was filed with the Nevada Secretary of State to increase the authorized number of shares of the Company's $0.0001 par value common stock from 200,000,000 shares to 1,000,000,000 shares of common stock.

The Company's board of directors approved and declared a 10:1 forward split of its common stock on September 6, 2022. As a result of the stock split, holders of pre-split shares of common stock received post-split shares of common stock at a ratio of ten (10) shares of post-split common stock for every one (1) share of pre-split common stock. The stock split had a record date of September 16, 2022 and an effective date of October 18, 2022. No fractional shares were issuable as a result of the forward stock split. After the forward stock split, the Company has 400,000,000 shares of common stock outstanding. The par value of the common stock remained unchanged at $0.0001 per share after the stock split.

Preferred stock

The Company's authorized shares of preferred stock are 10,000,000 shares, with a par value of $0.0001. The preferred stock may be issued in series and with such voting powers, designations, preferences, limitations, restrictions, and relative rights as the board of directors shall determine in its sole discretion. No shares of preferred stock were issued and outstanding as of September 30, 2025 and September 30, 2024.

Common stock

The Company's authorized shares of common stock were 1,000,000,000 and 1,000,000,000 shares with a par value of $0.0001, as of September 30, 2025 and September 30, 2024, respectively. The issued and outstanding shares of common stock were 400,000,000 as of September 30, 2025 and September 30, 2024, respectively.

During the year ended September 30, 2025, two shareholders contributed $175,586 to the capital of the Company. No shares were issued in exchange for these capital contributions.

Restricted net assets

Our ability to pay dividends is primarily dependent on us receiving distributions of funds from our VIE. Relevant PRC statutory laws and regulations permit payments of dividends by our VIE and its subsidiaries only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations and after they have met the PRC requirements for appropriation to statutory reserves. Share capital of our PRC subsidiaries and VIE included in the Company's consolidated net assets are also non-distributable for dividend purposes. The results of operations reflected in the accompanying consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of KP Tian Yu, the foreign-invested enterprise, King Eagle (China), King Eagle (Tianjin), the VIE, and its subsidiaries. The Company is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, the Company may allocate a portion of its after-tax profits based on PRC accounting standards to an enterprise expansion fund and a staff bonus and welfare 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	September 30, 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	September 30, 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:

Lease cost	Classification	September 30, 2025	September 30, 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	September 30 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.