

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## LEADER CAPITAL HOLDINGS CORP.

Suite 2311, 23/F, BEA Tower Millennium City 5,418 Kwun Tong Road,

Kwun Tong, Kowloon, Hong Kong

+852 5411 7661

<https://leader-capital.com/>

[Jeff@leader-holdingsgroup.com](mailto:Jeff@leader-holdingsgroup.com)

SIC Code 7371 – Services-Computer Programming Services

## Quarterly Report

For the period ending May 31, 2024

(the “Reporting Period”)

### Outstanding Shares

The number of shares outstanding of our Common Stock was:

227,577,654 as of May 31, 2024

206,470,825 as of August 31, 2023

### Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934, and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes:  No:

### Change in Control

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

---

<sup>1</sup> “Change in Control” shall mean any events resulting in:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities.

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets.

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

Leader Capital Holdings Corp. (“LCHD” or the “Company”) was incorporated on March 22, 2017, under the laws of the State of Nevada. The Company is currently active and in good standing in all states in which it operates.

There have not been any trading suspension orders issued by the SEC since its inception.

There have not been any stock splits, stock dividends, recapitalizations, mergers, acquisitions, spin-offs, or reorganizations within the past 12 months, and none are currently anticipated.

The Company’s principal executive office is:

Suite 2311, 23/F, BEA Tower Millennium City 5,418 Kwun Tong Road,  
Kwun Tong, Kowloon, Hong Kong

The address(es) of the issuer’s principal place of business:

Check if the principal executive office and principal place of business are at the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:

**2) Security Information**

**Transfer Agent**

Name: Dynamic Stock Transfer, Inc.

Phone: (818) 465-3422

Email: [cmoreno@dynamicstocktransfer.com](mailto:cmoreno@dynamicstocktransfer.com)

Address: 45 W Easy Street, Suite 28, Simi Valley, CA 93065

**Publicly Quoted or Traded Securities:**

Trading symbol:	LCHD
Exact title and class of securities outstanding:	Common Equity
CUSIP:	52168V100
Par or stated value:	\$0.0001
Total shares authorized:	600,000,000 as of May 31, 2024
Total shares outstanding:	227,577,654 as of May 31, 2024
Total number of shareholders of record:	201* as of May 31, 2024

\*Shareholder of record may not include all shares held in “street name.”

Exact title and class of securities outstanding:	Preferred Equity
Par or stated value:	\$0.0001
Total shares authorized:	200,000,000 as of May 31, 2024
Total shares outstanding:	None as of May 31, 2024

**Security Description:**

1. For common equity, describe any dividend, voting, and preemption rights.

Each of the Company's common shares has the right to one vote per share. There are currently no preemption or dividend rights attributable to the Company's common shares.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

We are authorized to issue 200,000,000 shares of "blank check" preferred stock with such rights, preferences, and privileges as may be determined from time to time by our board of directors. Our board of directors is empowered, without shareholder approval, to issue preferred stock in one or more series and to fix for any series the dividend rights, dissolution or liquidation preferences, redemption prices, conversion rights, voting rights, and other rights, preferences, and privileges for the preferred stock. No shares of preferred stock are presently issued and outstanding, and we have no immediate plans to issue shares of preferred stock.

**3. Describe any other material rights of common or preferred stockholders.**

None

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

There have not been any material modifications to the rights of the holders of the Company's securities that have occurred over the reporting period covered by this report.

**3) Issuance History**

On September 1, 2021, the Company renewed the employment agreement with Yi-Hsiu Lin for an additional two years. Pursuant to the agreement, Mr. Lin will be compensated at an annual rate of \$120,000 per year (the "Base Compensation"), prorated for any partial year, payable in cash or with 2,500,000 shares of restricted common stock, which would vest as of March 1, 2022, and March 1, 2023. In addition, Mr. Lin may be entitled to bonus compensation of up to three times the Base Compensation based on his achievement of appropriate performance criteria to be determined by the board of directors or a committee thereof. The bonus compensation offer was canceled on March 1, 2022. The fair value of the shares of restricted common stock for each year ending August 31, 2023, and 2022 was \$250,000, calculated based on a price per share of \$0.10 and amortized over the service term. On September 1, 2023, the Company renewed the employment agreement with Yi-Hsiu Lin for an additional two years. Pursuant to the agreement, Mr. Lin will be compensated at an annual rate of \$180,000 per year (the "Base Compensation"), prorated for any partial year, payable in cash or with 5,000,000 shares of restricted common stock, which would vest as of March 1, 2024, and March 1, 2025. In addition, Mr. Lin may be entitled to bonus compensation of up to three times the Base Compensation based on his achievement of appropriate performance criteria to be determined by the board of directors or a committee thereof. The fair value of the shares of restricted common stock for the year ending August 31, 2024, was \$250,000, which was calculated based on a price per share of \$0.05 and amortized over the service term.

On September 1, 2022, the Company re-issued a director offer letter to Shui Fung Cheng with the same compensation for a further one year. The fair value of the shares of restricted common stock granted on September 1, 2021, and 2022 was \$150,000 each, which was calculated based on a price per share of \$0.10 and amortized over the service term. On September 1, 2023, the Company re-issued a director offer letter to Shui Fung Cheng with the same compensation for a further one year. The fair value of the shares of restricted common stock granted on September 1, 2022, and 2023 was \$150,000 and \$75,000, respectively, which was calculated based on a price per share of \$0.10 and \$0.05 amortized over the service term.

On September 1, 2021, the Company issued an offer letter to Hsu Kuo-Hsun, pursuant to which Mr. Hsu agreed to serve as chairman of LOC for two years. Per the terms of the offer letter, Mr. Hsu will receive a monthly remuneration of NT\$60,000 (equivalent to \$1,870) in cash and 2,400,000 shares of restricted common stock, which shall be granted in two equal tranches

and vested on March 1, 2022, and March 1, 2023. The fair value of the shares of restricted common stock for each of the years ending August 31, 2023, and 2022 was \$120,000, which was calculated based on a price per share of \$0.10 and amortized over the service term. 1,200,000 shares were issued on October 5, 2022.

On September 1, 2021, the Company issued a Senior Vice President (“SVP”) offer letter to Chiao Chien, pursuant to which Mr. Chiao agreed to serve as SVP of user experience of the Company for two years. For his services, Mr. Chiao will receive a monthly remuneration of RMB 17,000 (equivalent to \$2,418) in cash and 3,000,000 shares of restricted common stock, which shall be granted in two equal tranches and vested on March 1, 2022, and March 1, 2023. The fair value of the shares of restricted common stock for each of the years ending August 31, 2023, and 2022 was \$150,000, which was calculated based on a price per share of \$0.10 and amortized over the service term. 1,500,000 shares were issued on October 5, 2022. On September 1, 2023, the Company re-issued an SVP offer letter to Chiao Chien offering monthly remuneration of RMB 13,000 (equivalent to \$1,787) in cash and 6,000,000 shares of restricted common stock, which shall be granted in two equal tranches and vested on March 1, 2024, and March 1, 2025. The fair value of the shares of restricted common stock granted on September 1, 2022, and 2023 was \$150,000 each, which was calculated based on a price per share of \$0.10 and \$0.05 amortized over the service term.

On October 1, 2022, the Company entered into a consultant agreement with Shou-Hung Hsu for two years. Pursuant to the agreement, Mr. Hsu was compensated at \$25,000 per year, prorated for any partial year, payable in cash or with 700,000 shares of restricted common stock, which would vest as of December 31, 2022, and September 30, 2023. The fair value of the shares of restricted common stock for the first year was \$35,000, which was calculated based on a price per share of \$0.10 and amortized over the service term.

On February 20, 2023, the Company appointed a third party as liquidator of LOC. The party will receive remuneration of \$30,000 in cash and 200,000 shares of restricted common stock for the services provided. The fair value of the shares of restricted common stock was \$20,000, which was calculated based on a price per share of \$0.10. On April 10, 2024, both parties mutually agreed to cancel the remuneration in the form of stock.

On May 31, 2023, the Company dismissed ten employees located in Beijing and was liable to pay a severance payment of \$129,572 (RMB907,000), payable in cash of \$36,930 (RMB258,500) and with 926,429 shares of restricted common stock, which would vest on August 31, 2023. The fair value of the shares of restricted common stock was \$92,643, which was calculated based on a price per share of \$0.10. The shares were issued on April 24, 2024.

On March 15, 2023, the Company issued an offer letter to Kuo-Kang Chang, pursuant to which Mr. Chang agreed to serve as senior VP of marketing and branding strategy for two years. For his services, Mr. Chang will receive an annual remuneration of \$20,000 in cash or 1,000,000 shares of restricted common stock. In addition, Mr. Chang may be entitled to an additional 1,000,000 restricted shares based on his achievement of appropriate performance criteria to be determined by the board of directors or a committee thereof. The fair value of the shares of restricted common stock for the first year was \$100,000, which was calculated based on a price per share of \$0.10 and amortized over the service term. 1,000,000 shares were issued to Mr. Chang on April 10, 2023.

On April 20, 2023, the Company entered into a consultant agreement with Yueh-Hung Chou for one year. Pursuant to the agreement, Mr. Chou will be compensated at NT\$25,000 per month. In addition, he would be remunerated by 300,000 restricted shares of the Company upon the achievement of certain performance as agreed. The performance criterion was not achieved as of August 31, 2023. During the year ended May 31, 2023, no share-based compensation was recognized by the Company under this agreement.

On August 1, 2023, the Company entered into a consultant agreement with Chih-Chieh Huang for one year. Pursuant to the agreement, Mr. Huang will receive \$20,000 in the form of 200,000 shares of restricted common stock, which shall be vested on or before October 31, 2023. The fair value of the shares of restricted common stock was \$10,000, which was calculated

based on a price per share of \$0.05 and amortized over the service term. 200,000 shares were issued to Mr. Huang on October 11, 2023.

On September 1, 2023, the Company issued an offer letter to Chang-Ming Lu for one year, pursuant to which Mr. Chang agreed to serve as senior VP of research and testing for one year. For his services, Mr. Chang will receive 3,000,000 shares of restricted common stock, which shall be granted and vested on March 1, 2024. The fair value of the shares of restricted common stock was \$150,000, which was calculated based on a price per share of \$0.05 and amortized over the service term. 3,000,000 shares were issued to Mr. Lu on May 9, 2024.

On January 1, 2024, the Company entered into a consultant agreement with Xu Zheng for one year. Pursuant to the agreement, Mr. Zheng will receive 1,500,000 shares of restricted common stock, which shall be vested on July 1, 2024. The fair value of the shares of restricted common stock was \$75,000, which was calculated based on a price per share of \$0.05 and amortized over the service term. The shares have not been issued to Mr. Zheng as of May 31, 2024.

On March 1, 2024, the Company issued an offer letter to Yu-Cheng Tu, pursuant to which Mr. Tu agreed to serve as senior VP of business for two years. For his services, Mr. Tu will receive a monthly remuneration of \$1,445 (NTD46,000) in cash and 700,000 shares of restricted common stock. The fair value of the shares of restricted common stock for the first year would be \$17,500, which is calculated based on a price per share of \$0.05 and amortized over the service term. The shares have not been issued to Mr. Zheng as of May 31, 2024.

On April 1, 2024, the Company entered into a consultant agreement with Chih-Hsien Chen for one year. Pursuant to the agreement, Mr. Chen was compensated with 150,000 shares of restricted common stock, which would vest on June 1, 2024. The fair value of the shares of restricted common stock was \$7,500 which was calculated based on a price per share of \$0.05 and amortized over the service term. The shares were issued to Mr. Chen on April 22, 2024.

On May 1, 2024, the Company entered into a consultant agreement with Yu-Ling Ho for one year. Pursuant to the agreement, Ms. Ho was compensated with 150,000 shares of restricted common stock upon the achievement of certain performance as agreed. The fair value of the shares of restricted common stock was \$7,500 which was calculated based on a price per share of \$0.05 and amortized over the service term.

From May 2020 to August 2021, the Company entered into securities purchase agreements with several accredited investors whereby the investors purchased a total of 37,157,535 shares of the Company's common stock at an average price of \$0.140 per share. The Company received aggregate gross proceeds of \$5,206,994. Pursuant to the terms of the securities purchase agreements, the investors have piggyback registration rights with respect to the shares. The shares were fully issued by August 30, 2021.

From September 2021 to August 2022, the Company entered into securities purchase agreements with several accredited investors whereby the investors purchased a total of 19,170,000 shares of the Company's common stock at an average price of \$0.12 per share. The Company received aggregate gross proceeds of \$2,290,000. Pursuant to the terms of the securities purchase agreements, the investors have piggyback registration rights with respect to the shares. The shares were fully issued by September 2, 2022.

From October 2022 to August 2023, the Company entered into securities purchase agreements with several accredited investors whereby the investors purchased a total of 10,630,400 shares of the Company's restricted common stock at an average price of \$0.097 per share. The Company received aggregate gross proceeds of \$1,031,506. Pursuant to the terms of the securities purchase agreement, the investor will have piggyback registration rights with respect to the shares. The shares were fully issued by September 18, 2023.

From September 2023 to March 2024, the Company received aggregate gross proceeds of \$280,000 from several accredited investors, whereby the investors intended to purchase a total of 5,000,000 shares of the Company's restricted common stock at an average price of \$0.056 per share. All shares were issued as of May 31, 2024.

### A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date August 31, 2021 Common: 157,949,219			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to.  *You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
10/12/2021	New Issuance	100,000	Common	0.25	No	FU-PIAO CHIANG	New Subscription	Restricted	4(a)(2)
10/5/2021	New Issuance	800,000	Common	0.25	No	Aquarius Protection Fund SPC-ACP Link Segregated Portfolio (1)	New Subscription	Restricted	4(a)(2)
10/7/2021	New Issuance	2,500,000	Common	0.1	No	YANG LEE	New Subscription	Restricted	4(a)(2)
10/29/2021	New Issuance	560,000	Common	0.25	No	CHENG-HSI CHIANG	New Subscription	Restricted	4(a)(2)
10/29/2021	New Issuance	200,000	Common	0.25	No	HSIANG-WEN CHUANG	New Subscription	Restricted	4(a)(2)
12/15/2021	New Issuance	2,500,000	Common	0.1	No	YANG LEE	New Subscription	Restricted	4(a)(2)
12/16/2021	New Issuance	1,000,000	Common	0.1	No	YING WAI RAYMOND KWAN	Service	Restricted	4(a)(2)
12/30/2021	New Issuance	2,350,000	Common	0.1	No	CHUN-SHUO HUANG	New Subscription	Restricted	4(a)(2)
3/2/2022	New Issuance	475,000	Common	0	No	CHIA-YI CHIU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	56,950	Common	0	No	HUI-SHAN CHIU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	48,100	Common	0	No	WAI PING AU YEUNG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	109,200	Common	0	No	WEI-YUAN HSU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	133,200	Common	0	No	MIN-XUAN YANG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	68,700	Common	0	No	FANQIANG ZENG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	45,100	Common	0	No	LI FENG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	382,900	Common	0	No	YI-HSUAN LIN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	400,000	Common	0	No	JUNHUI ZHANG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	124,400	Common	0	No	JUNJUN WEI	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	81,950	Common	0	No	BO LI	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	45,150	Common	0	No	JIAN GAO	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	76,550	Common	0	No	ZHONGJIAN ZHI	2021 Equity Incentive Plan	Unrestricted	4(a)(2)

3/2/2022	New Issuance	63,050	Common	0	No	WEIWEI ZHONG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	37,050	Common	0	No	YAO RAN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	56,300	Common	0	No	YANING ZHANG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	62,750	Common	0	No	YUN ZHANG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	35,100	Common	0	No	XIAOLI REN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	14,050	Common	0	No	XIAOYU CHENG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	1,000,000	Common	0	No	JUN YUAN CHEN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	150,000	Common	0	No	PEI-CHI HSIEH	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	250,000	Common	0	No	JIA-NING LIANG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	150,000	Common	0	No	CHIA-JUNG LIU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	400,000	Common	0	No	HUNG-PIN CHENG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	600,000	Common	0	No	MIN-FENG CHANG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	500,000	Common	0	No	YI-HENG CHUNG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	2,250	Common	0	No	CHE-MING CHANG	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	1,200	Common	0	No	YU-JUNG LIN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	29,400	Common	0	No	YU-QIAO XIE	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	39,250	Common	0	No	SHIH-YUN CHEN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	16,800	Common	0	No	PEI-YU LIEN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	9,000	Common	0	No	YI-XIU CHEN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	11,650	Common	0	No	SHIH-HSUN HO	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	21,400	Common	0	No	YU-HAN LIU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	11,650	Common	0	No	SSU-YU FU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	50,000	Common	0	No	CHIH-I HAN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	50,000	Common	0	No	YI-SHIOU CHEN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	150,000	Common	0	No	YUEH-HUNG CHOU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	42,750	Common	0	No	PEI-CHI HSU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	267,200	Common	0	No	SHENG-HUEI CHIAO	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	232,800	Common	0	No	SHENG-CHIH CHIAO	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	242,300	Common	0	No	HESHUN ZHU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	225,000	Common	0	No	CHUNLI WAN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	282,700	Common	0	No	CHUNYAN WAN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	1,000,000	Common	0	No	CHIEN CHIAO	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	300,000	Common	0	No	KUO-HSUN HSU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	300,000	Common	0	No	TAWEI HSU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	500,000	Common	0	No	YING WAI RAYMOND KWAN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	350,000	Common	0	No	CHIA-CHEN LU	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/2/2022	New Issuance	50,000	Common	0	No	CHANG-HSIEN YEN	2021 Equity Incentive Plan	Unrestricted	4(a)(2)
3/15/2022	New Issuance	40,000	Common	0.25	No	LING-YUN CHENG	New Subscription	Restricted	4(a)(2)
3/15/2022	New Issuance	800,000	Common	0.25	No	CHING-NAN WANG	Debt conversion	Restricted	4(a)(2)

3/15/2022	New Issuance	800,000	Common	0.25	No	CHIN-PING WANG	Debt conversion	Restricted	4(a)(2)
3/21/2022	New Issuance	40,000	Common	0.25	No	WEI-YU CHEN	New Subscription	Restricted	4(a)(2)
3/21/2022	New Issuance	40,000	Common	0.25	No	JUI-YING TSENG LIU	New Subscription	Restricted	4(a)(2)
4/15/2022	New Issuance	40,000	Common	0.25	No	YUN-HUI CHU	New Subscription	Restricted	4(a)(2)
5/19/2022	New Issuance	1,000,000	Common	0.1	No	TEH-LING CHEN	debt conversion	Restricted	4(a)(2)
5/19/2022	New Issuance	1,000,000	Common	0.1	No	TEH-LING CHEN	debt conversion	Restricted	4(a)(2)
5/27/2022	New Issuance	5,000,000	Common	0.1	No	WAI MING TSE	New Subscription	Restricted	4(a)(2)
6/17/2022	New Issuance	500,756	Common	0.1	No	TEH-LING CHEN	Debt Settlement	Restricted	4(a)(2)
7/25/2022	New Issuance	5,000,000	Common	0.25	No	KATHY WAI-GAUN TSE	New Subscription	Restricted	4(a)(2)
9/2/2022	New Issuance	1,000,000	Common	0.1	No	HUAN-TUN PENG	New Subscription	Restricted	4(a)(2)
10/5/2022	New Issuance	1,500,000	Common	0.02	No	CHIEN CHIAO	Share Payment as per employment agreemen	Restricted	4(a)(2)
10/5/2022	New Issuance	1,200,000	Common	0.02	No	KUO-HSUN HSU	Share Payment as per employment agreement	Restricted	4(a)(2)
10/5/2022	New Issuance	2,500,000	Common	0.02	No	YI-HSIU LIN	Payment in lieu of director remuneration	Restricted	4(a)(2)
10/5/2022	New Issuance	1,500,000	Common	0.02	No	SHUI FUNG CHENG	Payment in lieu of director remuneration	Restricted	4(a)(2)
11/2/2022	New Issuance	1,000,000	Common	0.3	No	DFP HOLDINGS LIMITED (2)	New Subscription	Restricted	4(a)(2)
3/14/2023	New Issuance	2,500,000	Common	0.1	No	WAI MING TSE	Subscription of new shares	Restricted	4(a)(2)
4/10/2023	New Issuance	1,000,000	Common	0.02	No	KUO-KANG CHANG	Payment in lieu of consultant remuneration	Restricted	4(a)(2)
4/10/2023	New Issuance	2,500,000	Common	0.1	No	KATHY WAI-GAUN TSE	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	48,000	Common	0.05	No	SY-FANG CHYR	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	60,000	Common	0.05	No	MIN-LANG LU	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	50,000	Common	0.05	No	PING-LI LIN	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	22,000	Common	0.05	No	YOU-CHENG LI	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	2,400,000	Common	0.05	No	MEI-HSUAN TU	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	50,000	Common	0.05	No	WEN-KE LAI	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	100,000	Common	0.05	No	SHENG-HANG HSIEH	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	200,000	Common	0.05	No	CHIH-FANG TU	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	25,400	Common	0.05	No	KUAN-SHENG WANG	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	30,000	Common	0.05	No	CHIN-SHEN LIOU	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	200,000	Common	0.05	No	JINN-KUNG HUANG	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	100,000	Common	0.05	No	MING-CHUN LO	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	200,000	Common	0.05	No	CHUN-CHIANG LIN	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	25,000	Common	0.05	No	MENG-HSUAN LEE	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	200,000	Common	0.05	No	YI-CHEN TSAI	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	300,000	Common	0.05	No	CHIA-CHENG LAI	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	20,000	Common	0.05	No	YUNG-LING CHEN	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	200,000	Common	0.05	No	YI-SHUN LIN	New Subscription	Restricted	4(a)(2)
9/18/2023	New Issuance	400,000	Common	0.05	No	CHIH-FU KUNG	New Subscription	Restricted	4(a)(2)
10/4/2023	New Issuance	2,000,000	Common	0.05	No	SHU-MEI WU	New Subscription	Restricted	4(a)(2)
10/4/2023	New Issuance	2,000,000	Common	0.05	No	TEH-LING CHEN	New Subscription	Restricted	4(a)(2)
10/11/2023	New Issuance	150,000	Common	0.1	No	YU-LING HO	New Subscription	Restricted	4(a)(2)
10/11/2023	New Issuance	150,000	Common	0.1	No	TING-YU HUANG	New Subscription	Restricted	4(a)(2)
10/11/2023	New Issuance	350,000	Common	0.035714	No	SHOU-HUNG HSU	New Subscription	Restricted	4(a)(2)



10/11/2023	New Issuance	200,000	Common	0.1	No	CHIH-CHIEH HUANG	New Subscription	Restricted	4(a)(2)
3/27/2024	New Issuance	600,000	Common	0.05	No	CHIH-HSIEN CHEN	Subscription of new shares	Restricted	4(a)(2)
3/28/2024	New Issuance	100,000	Common	0.2	No	NAN-HSIANG HSIAO	Subscription of new shares	Restricted	4(a)(2)
4/2/2024	New Issuance	2,500,000	Common	0.048	No	YI-HSIU LIN	Payment in lieu of director remuneration	Restricted	4(a)(2)
4/2/2024	New Issuance	1,500,000	Common	0.02	No	CHIEN CHIAO	Share Payment as per employment agreement	Restricted	4(a)(2)
4/2/2024	New Issuance	1,500,000	Common	0.053	No	SHUI FUNG CHENG	Payment in lieu of director remuneration	Restricted	4(a)(2)
4/2/2024	New Issuance	1,200,000	Common	0.02	No	KUO-HSUN HSU	Share Payment as per employment agreement	Restricted	4(a)(2)
4/22/2024	New Issuance	150,000	Common	0.049	No	CHIH-HSIEN CHEN	New Subscription	Restricted	4(a)(2)
4/23/2024	New Issuance	150,000	Common	0.05	No	CHIH-HSIEN CHEN	Share Payment as per employment agreement	Restricted	4(a)(2)
4/24/2024	New Issuance	51,429	Common	0.1	No	XIAOYU CHENG	New Subscription	Restricted	4(a)(2)
4/24/2024	New Issuance	96,000	Common	0.1	No	JIAN GAO	New Subscription	Restricted	4(a)(2)
4/24/2024	New Issuance	163,571	Common	0.1	No	BO LI	New Subscription	Restricted	4(a)(2)
4/24/2024	New Issuance	69,143	Common	0.1	No	YAO RAN	New Subscription	Restricted	4(a)(2)
4/24/2024	New Issuance	146,286	Common	0.1	No	XIAOLI REN	New Subscription	Restricted	4(a)(2)
4/24/2024	New Issuance	43,429	Common	0.1	No	PEIYU YIN	New Subscription	Restricted	4(a)(2)
4/24/2024	New Issuance	113,143	Common	0.1	No	YANING ZHANG	New Subscription	Restricted	4(a)(2)
4/24/2024	New Issuance	120,000	Common	0.1	No	YUN ZHANG	New Subscription	Restricted	4(a)(2)
4/24/2024	New Issuance	123,428	Common	0.1	No	ZHONGJIAN ZHI	New Subscription	Restricted	4(a)(2)
5/9/2024	New Issuance	3,000,000	Common	0.01	No	CHANGMING LU	Share Payment as per employment agreement	Restricted	4(a)(2)
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date May 31, 2024, Common: 227,577,654									

- (1) Wei Yuan HSU is the Director of Aquarius Protection Fund SPC-ACP Link Segregated Portfolio  
(2) Shou-Hung HSU is the Director of DFP Holding Limited

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No:  Yes:  (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)

3/18/2020	\$80,000	\$80,000	\$10,429	11/30/2024	All or part of the outstanding principal can be converted into restricted common stock at \$0.40/share. The convertible provision of the agreement has been mutually agreed to cancel on March 23, 2022	Jui-Chin Chen	Loan
11/25/2020	\$200,000	\$200,000	\$15,164	11/25/2024	All or part of the outstanding principal can be converted into restricted common stock at \$0.40/share. The convertible provision of the agreement has been mutually agreed to cancel on May 3, 2022	Chin-Chiang Wang	Loan

#### 4) Issuer's Business, Products and Services

Leader Capital Holdings Corp. ("LCHD" or the "Company") was incorporated on March 22, 2017, under the laws of the State of Nevada.

The Company, through its subsidiaries, mainly operates and services a mobile application investment platform.

<u>Company Name</u>	<u>Place/Date of Incorporation</u>	<u>Principal Activities</u>
1. Leader Financial Group Limited ("LFGL")	Seychelles / March 6, 2017	Investment Holding
2. JFB Internet Service Limited ("JFB")	Hong Kong / July 6, 2017	Provides an Investment Platform

On August 17, 2020, LCHD, through JFB, acquired all of the issued and outstanding capital stock (the "Acquisition") of Nice Products Inc. ("NPI"), pursuant to the terms and conditions of that certain Stock Purchase Agreement, dated as of August 17, 2020, among the Company, JFB, NPI, the selling shareholders of NPI identified therein (each a "Seller," and, collectively, the "Sellers") and the representative of the Sellers identified therein. As a result of the acquisition, the Company now owns indirectly 100% of NPI, LOC Weibo Co., Ltd., and Beijing DataComm Cloud Media Technology Co., Ltd.

The aggregate purchase price for the Acquisition was \$4,850,000, less certain discounts, expenses, and reductions for outstanding NPI debt owed to the Company and/or its affiliates, resulting in a net purchase price of \$3,506,042, payable in 8,415,111 shares of the Company's common stock to the Sellers in accordance with their respective pro rata percentage.

After the completion of the acquisition, NPI became an indirect wholly owned subsidiary of the Company.

NPI was incorporated in the British Virgin Islands on December 17, 2018.

NPI, through its subsidiaries, mainly engages in the development of ecological-systems applications, integration of big data, and promotion of Over-the-Top ("OTT") applications.

<u>Company Name</u>	<u>Place/Date of Incorporation</u>	<u>Principal Activities</u>
1. LOC Weibo Co., Ltd. ("LOC")	Republic of China/September 29, 2017	Development of ecological-systems applications, integration of big data and promotion of OTT applications

On March 15, 2023, the board of directors decided to dissolve LOC. LOC then entered into a de-registration process, and its business was taken over by LCHD. Taichung City Government approved the dissolution on April 25, 2023. LOC also appointed a liquidator on February 20, 2023. The liquidator reported to the Court in May and shall complete the liquidation within 12 months. Within 15 days after the liquidation is completed, the various forms (including the solvency certificate) are prepared and sent to the supervisor for review, subject to approval by shareholders, and reported to the court.

**5) Issuer’s Facilities**

The company currently rents office and staff quarter premises in Taiwan, Shenzhen, Beijing, and Hong Kong on a month-to-month basis.

**6) Officers, Directors, and Control Persons**

Using the table below, please provide information, as of the period end date of this report, regarding any officers or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling, or advising the operations, business development, and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

As of July 15, 2024, the Company has 227,577,654 shares of common stock issued and outstanding.

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Yi-Hsiu Lin Beneficially owning and including: First Leader Capital (1)	CEO, President, and Director	China Taiwan	61,037,778(1)	Common	26.82%	
Shui Fung Cheng	Director	China Hong Kong	6,468,947(2)	Common	2.84%	
<u>Jun- Yuan Chen</u>	Owner of more than 5%	China Taiwan	12,683,023 (3)	Common	5.57%	
<u>First Leader Capital Ltd. (1)</u>	Owner of more than 5%	China Taiwan	32,867,500	Common	14.44%	Yi-Hsiu Lin
<u>Wai-Ming Tse</u>	Owner of more than 5%	China Taiwan	12,500,000	Common	5.49%	

<u>Kathy Wai-Gaun Tse</u>	Owner of more than 5%	China Taiwan	12,500,000	Common	5.49%	
---------------------------	-----------------------	--------------	------------	--------	-------	--

1. Consists of (i) 13,970,278 shares of common stock beneficially held by Mr. Lin, (ii) 32,867,500 shares of common stock beneficially held by First Leader Capital Ltd., over which Mr. Lin has sole voting and investment power as the sole owner of such entity, (iii) 3,000,000 shares of common stock beneficially held by CPN Investment Ltd., over which Mr. Lin has sole voting and investment power, (iv) 1,200,000 shares of common stock beneficially held by Leader Financial Asset Management Limited, a company incorporated in the Cayman Islands, over which Mr. Lin has shared voting and investment power over as a director of such entity, and (v) 10,000,000 shares of common stock beneficially held by Anzhao International Limited, over which Mr. Lin has voting and investment power given that he has the sole right to appoint the trustee of the Gratis Trust and the right to remove any such trustee with or without cause or for any reason, which trust has the right to appoint or remove the director of Anzhao International Limited.
- (2) Consists of (i) 5,268,947 shares of common stock beneficially held by Mr. Cheng and (ii) 1,200,000 shares of common stock beneficially held by Leader Financial Asset Management Limited, over which Mr. Cheng has shared voting and investment power as a director of such entity.
- (3) All of the 12,683,023 shares of common stock beneficially held by Mr. Chen, who was the COO of JFB, and Mr. Chen has resigned from JFB as of September 30, 2022.

**7) Legal/Disciplinary History**

None of the persons listed above in Item 6 have, in the last ten years, been the subject of:

- 1) An indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);
- 2) the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;
- 3) a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;
- 4) named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or
- 5) an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities
- 6) a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

There are no material pending legal proceedings to which the issuer is a party or of which any of their property is the subject.

**8) Third Party Service Providers**

Provide the name, address, telephone number, and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Michael A. Littman, Attorney at Law  
P.O. Box 1839  
Arvada, CO 80001

Other Service Providers

Provide the name of any other service provider(s) that **assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s), or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Dave Hsu  
Firm: None  
Nature of Services: Management/Operation Consultant  
Address 1: 5F., No.8, Lane30, HengGuangSt. WenShanDistrict,116024 Taipei City,  
Address 2: Taiwan, ROC  
Phone: (852) 51320256  
Email: [davehsu2005@yahoo.com](mailto:davehsu2005@yahoo.com)

Name: Raymond Kwan  
Firm: None  
Nature of Services: Business Strategy Consultant  
Address 1: Room 901, 9/F., Easey Commercial Building,  
Address 2: 253-261 Hennessy Road, Wanchai, Hong Kong  
Phone: (852) 69565277  
Email: [raykwan388@gmail.com](mailto:raykwan388@gmail.com)

Name: Shou-hung HSU  
Firm: None  
Nature of Services: Consultant  
Address 1: 2F., No. 128, Sec. 1, Ziyou Rd., West Dist.,  
Address 2: Taichung City 403002, Taiwan (R.O.C.)  
Phone: (886) 932669425  
Email: [tatav@livemail.tw](mailto:tatav@livemail.tw)

Name: Kuo-Kang CHANG  
Firm: None  
Nature of Services: Consultant  
Address 1: 12F., No.207, Sec 4, New Taipei Blvd, Xinzhuang Dist.  
Address 2: New Taipei City 242032, Taiwan (R.O.C.)  
Phone: (886) 909077771  
Email: [a0909077771@gmail.com](mailto:a0909077771@gmail.com)

Name: Chih-Chieh HUANG  
Firm: None  
Nature of Services: Consultant  
Address 1: 2F.-1, No. 178-5, Sec. 2, Chang'an E. Rd., Zhongshan  
Address 2: Dist., Taipei City 104101, Taiwan (R.O.C.)  
Phone: (886) 939078589  
Email: [hsu@dfp-school.com](mailto:hsu@dfp-school.com)

Name: Xu ZHENG  
Firm: None  
Nature of Services: Consultant  
Address 1: Rm A, 25/F, Blk 9 Arcadia Crt, 1008 Haiti  
Address 2: Futian District, Shenzhen, China  
Phone: (86) 15622890770  
Email: 5029987@qq.com

Name: Chih-Hsien CHEN  
Firm: None  
Nature of Services: Consultant  
Address 1: No.238, Chenggong Rd., Fengyuan Dist.  
Address 2: Taichung City 42053, Taiwan, ROC  
Phone: (886) 933464193  
Email: yimingtea@yahoo.com.tw

Name: Yu-Ling HO  
Firm: None  
Nature of Services: Consultant  
Address 1: 8F. A3, NO 120, Meishu N.5TH ST,Gushan Dist.,  
Address 2: Kaohsiung City 804314, China Republic Of  
Phone: (886)938678039  
Email: iudy1681018@gmail.com

Name: Michael A. Littman  
Firm: Attorney at Law  
Nature of Services: Attorney  
Address 1: P.O. Box 1839  
Address 2: Arvada, CO 80001  
Phone: (720) 530-6184  
Email: [malattyco@aol.com](mailto:malattyco@aol.com)

## 9) Financial Statements

A. This Disclosure Statement was prepared by (name of individual):

Name: Yi-Hsiu Lin  
Title: Director  
Relationship to Issuer: Director

B. The following financial statements were prepared in accordance with:

- IFRS  
 U.S. GAAP

C. The following financial statements were prepared by (name of individual)<sup>2</sup>:

Name: Yi-Hsiu Lin

Title: Director

Relationship to Issuer: Director

Describe the qualifications of the person or persons who prepared the financial statements: Financial and Accounting Expert.

The issuer is providing the following financial statements:

- a) Balance Sheets as of May 31, 2024, and August 31, 2023.
- b) Statements of Operations for the nine and three months ended May 31, 2024, and 2023.
- c) Statement of Stockholders' Deficit for the nine and three months ended May 31, 2024, and 2023.
- d) Statements of Cash Flows for the nine months ended May 31, 2024, and 2023.
- e) Notes to the financial statements.

### 10) Issuer Certification

*Principal Executive Officer and Principal Financial Officer:*

I, Yi-Hsiu Lin, Chief Executive Officer, President, and Director, certify that:

1. I have reviewed this Disclosure Statement for Leader Capital Holdings Corp.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

July 15, 2024

/s/ Yi-Hsiu Lin

Yi-Hsiu Lin

Chief Executive Officer

---

<sup>2</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

LEADER CAPITAL HOLDINGS CORP. AND SUBSIDIARIES  
INDEX TO UNAUDITED FINANCIAL STATEMENTS

	Page
Condensed Consolidated Balance Sheets	F-2
Condensed Consolidated Statements of Operations and Comprehensive Loss	F-4
Condensed Consolidated Statements of Changes in Stockholders' Deficit	F-5
Condensed Consolidated Statements of Cash Flows	F-6
Notes to Condensed Consolidated Statements	F-8

**LEADER CAPITAL HOLDINGS CORP**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF MAY 31, 2024 AND AUGUST 31, 2023**  
(In U.S. dollars except share and per share data)

	As of May 31, 2024	As of August 31, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 30,589	\$ 5,744
Prepayments, deposits, and other receivables	47,175	39,766
Due from a shareholder	24,287	24,751
Total current assets	102,051	70,261
Non-current assets		
Non-marketable equity securities	1,500	1,500
Plant and equipment, net	739	4,520
Intangible assets	3,443	3,812
Operating lease right-of-use assets, net	12,678	15,362
Total non-current assets	18,360	25,194
<b>TOTAL ASSETS</b>	<b>\$ 120,411</b>	<b>\$ 95,455</b>



<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities			
Accrued expenses and other payables	\$	626,532	\$ 547,166
Contract liabilities		73,508	75,292
Operating lease liability, current		11,242	10,884
Other loans from shareholders, current		638,668	382,234
Other loans from non-related parties, current		254,290	1,130
Due to shareholders		42,743	44,829
Due to a director		1,271,419	1,101,264
Bonds payable to related party		400,000	600,000
<b>Total current liabilities</b>		<b>3,318,402</b>	<b>2,762,799</b>
Non-current liabilities			
Other loans from shareholders, non-current		-	200,000
<b>Total non-current liabilities</b>		<b>-</b>	<b>200,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>3,318,402</b>	<b>\$ 2,962,799</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
<b>STOCKHOLDERS' EQUITY</b>			
Preferred stock, \$0.0001 par value; 200,000,000 shares authorized; None issued and outstanding			-
Common stock, \$0.0001 par value; 600,000,000 shares authorized; 227,577,654 and 206,470,825 shares issued and outstanding as of May 31, 2024 and August 31, 2023, respectively		22,758	20,647
Additional paid-in capital		35,090,374	34,237,277
Accumulated other comprehensive income		825,633	729,652
Accumulated deficits		(39,136,756)	(37,854,920)
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b>\$</b>	<b>(3,197,991)</b>	<b>\$ (2,867,344)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$</b>	<b>120,411</b>	<b>\$ 95,455</b>

**LEADER CAPITAL HOLDINGS CORP**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**FOR THE NINE AND THREE MONTHS ENDED MAY 31, 2024 AND 2023**

(In U.S. dollars except share and per share data)

	Nine months ended		Three months ended	
	<u>May 31, 2024</u>	<u>May 31, 2023</u>	<u>May 31, 2024</u>	<u>May 31, 2023</u>
REVENUE	\$ 112,932	\$ 364,182	\$ 25,886	\$ 15,721
<b>OPERATING EXPENSES</b>				
Research and development expenses	(26,991)	(243,469)	(10,855)	(26,781)
Sales and marketing expenses	-	50,906	-	67,852
General and administrative expenses	(1,207,475)	(2,155,333)	(373,892)	(687,606)
LOSS FROM OPERATIONS	(1,121,534)	(1,983,714)	(358,861)	(630,814)
Interest expenses	(94,249)	(94,788)	(28,096)	(33,187)
<b>OTHER (EXPENSE) INCOME</b>				
Other income – from related parties	-	-	-	-
Other income – from non-related parties	23	18,481	2	68
Foreign exchange loss, net	(66,076)	(120,677)	(140,093)	(70,762)
LOSS BEFORE INCOME TAX	(1,281,836)	(2,180,698)	(527,048)	(734,695)
Income tax benefit	-	-	-	-
NET LOSS	<u>\$ (1,281,836)</u>	<u>\$ (2,180,698)</u>	<u>\$ (527,048)</u>	<u>\$ (734,695)</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Foreign currency translation adjustment	95,981	130,212	158,499	77,431
TOTAL COMPREHENSIVE LOSS	<u>\$ (1,185,855)</u>	<u>\$ (2,050,486)</u>	<u>\$ (368,549)</u>	<u>\$ (657,264)</u>
Net loss per share - Basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.00)*	\$ (0.00)*
Weighted average number of shares of common stock outstanding - Basic and diluted	226,714,813	203,769,902	230,947,844	209,052,870

\* Less than \$0.01 per share

**LEADER CAPITAL HOLDINGS CORP**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**

(In U.S. dollars except for share data)

**FOR THE NINE MONTHS ENDED MAY 31, 2024**

	COMMON STOCK		ADDITIONAL	OTHER	ACCUMULATE D DEFICITS	TOTAL
	Number of shares	Amount	PAID IN CAPITAL	COMPREHEN SIVE LOSS		STOCKHOLDE RS' DEFICIT
Balance as of September 1, 2023	206,470,825	\$ 20,647	\$ 34,237,277	\$ 729,652	\$ (37,854,920)	\$ (2,867,344)
Shares issued in private placement	9,630,400	963	279,037	-	-	280,000
Shares issued to lender for repayment of interests	150,000	15	(15)	-	-	-
Shares issued to directors for stock award	4,000,000	400	(400)	-	-	-
Shares issued to employees for stock award	3,626,429	363	(363)	-	-	-
Shares issued to consultants for stock award	3,000,000	300	(300)	-	-	-
Share based compensation	700,000	70	575,138	-	-	575,208
Foreign currency translation adjustment	-	-	-	95,981	-	95,981
Net loss	-	-	-	-	(1,281,836)	(1,281,836)
Balance as of May 31, 2024	227,577,654	\$ 22,758	\$ 35,090,374	\$ 825,633	\$ (39,136,756)	\$ (3,197,991)

**FOR THE NINE MONTHS ENDED MAY 31, 2023**

	COMMON STOCK		ADDITIONAL	OTHER	ACCUMULATE D DEFICITS	TOTAL
	Number of shares	Amount	PAID IN CAPITAL	COMPREHEN SIVE LOSS		STOCKHOLDE RS' DEFICIT
Balance as of September 1, 2022	191,770,825	\$ 19,177	\$ 32,339,182	\$ 362,698	\$ (34,921,164)	\$ (2,200,107)
Shares issued in private placement	7,000,000	700	799,300	-	-	800,000
Shares to be issued In Private placement	-	-	124,250	-	-	124,250
Shares issued to employees and consultants for stock award	7,700,000	770	(770)	-	-	-
Share based compensation	-	-	655,144	-	-	655,144
Foreign currency translation adjustment	-	-	-	130,212	-	130,212
Net loss	-	-	-	-	(2,180,698)	(2,180,698)
Balance as of May 31, 2023	206,470,825	\$ 20,647	\$ 33,917,106	\$ 492,910	\$ (37,101,862)	\$ (2,671,199)

**LEADER CAPITAL HOLDINGS CORP**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**

(In U.S. dollars except for share data)

**FOR THE THREE MONTHS ENDED MAY 31, 2024**

	COMMON STOCK		ADDITIONAL	OTHER	ACCUMULATE D DEFICITS	TOTAL
	Number of shares	Amount	PAID IN CAPITAL	COMPREHEN SIVE LOSS		STOCKHOLDE RS' DEFICIT
Balance as of March 1, 2024	215,951,225	\$ 21,595	\$ 34,875,704	\$ 667,134	\$ (38,609,708)	\$ (3,045,275)
Shares issued in private placement	700,000	70	19,930	-	-	20,000
Shares issued to lender for repayment of interests	150,000	15	(15)	-	-	-
Issuance of shares to directors	4,000,000	400	(400)	-	-	-
Issuance of shares to officers	2,700,000	270	(200)	-	-	-
Issuance of shares to employees	926,429	93	(93)	-	-	-
Issuance of shares to consultants	3,150,000	315	(315)	-	-	-
Share based compensation	-	-	195,763	-	-	195,763
Foreign currency translation adjustment	-	-	-	158,499	-	158,499
Net loss	-	-	-	-	(527,048)	(527,048)
Balance as of May 31, 2024	227,577,654	\$ 22,758	\$ 35,090,374	\$ 825,633	\$ (39,136,756)	\$ (3,197,991)

**FOR THE THREE MONTHS ENDED MAY 31, 2023**

	COMMON STOCK		ADDITIONAL	OTHER	ACCUMULATE D DEFICITS	TOTAL
	Number of shares	Amount	PAID IN CAPITAL	COMPREHEN SIVE LOSS		STOCKHOLDE RS' DEFICIT
Balance as of March 1, 2023	200,470,825	\$ 20,047	\$ 33,080,537	\$ 415,479	\$ (36,367,167)	\$ (2,851,104)
Shares issued in private placement	5,000,000	500	499,500	-	-	500,000
Shares to be issued In Private placement	-	-	124,250	-	-	124,250
Shares issued to employees and consultants for stock award	1,000,000	100	(100)	-	-	-
Share based compensation	-	-	212,919	-	-	212,919
Foreign currency translation adjustment	-	-	-	77,431	-	77,431
Net loss	-	-	-	-	(734,695)	(734,695)
Balance as of May 31, 2023	206,470,825	\$ 20,647	\$ 33,917,106	\$ 492,910	\$ (37,101,862)	\$ (2,671,199)

**LEADER CAPITAL HOLDINGS CORP**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In U.S. dollars)

	<b>For the nine months ended</b>	
	May 31, 2024	May 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (1,281,836)	\$ (2,180,698)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on disposal	-	25,091
Share-based compensation expenses	575,208	655,144
Depreciation and amortization	4,154	31,368
Amortization of operating lease right-of-use assets	30,254	143,915
Exchange difference, net	66,076	120,677
Changes in operating assets and liabilities:		
Accounts receivable	-	1,655
Prepayments, deposits and other receivables	(7,380)	122,861
Inventory	-	7,948
Amount due to a director	-	43,646
Operating lease liabilities	(27,200)	(140,239)
Contract liabilities	1,784	(106,563)
Accrued expenses and other payables	90,069	74,759
<b>Net cash used in operating activities</b>	<b>(552,439)</b>	<b>(1,200,436)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of plant and equipment	-	(1,102)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(1,102)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from shares issued in private placement	280,000	800,000
Proceeds from shares to be issued in private placement	-	124,250
Advance from a director	-	134,570
Advance to a director	(3,262)	(32,428)
Loan from shareholders	90,000	236,912
Repayment to shareholders	(28,400)	(115,522)
Advance from shareholders	-	16,247
Advance to shareholders	-	(8,824)
Loan from non-related parties	259,543	5,768
Repayment to a non-related party	(6,000)	(4,601)
<b>Net cash provided by financing activities</b>	<b>591,881</b>	<b>1,156,372</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(14,597)</b>	<b>(5,302)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>24,845</b>	<b>(50,468)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,744</b>	<b>213,270</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 30,589</b>	<b>\$ 162,802</b>

**SUPPLEMENTAL DISCLOSURE OF NON-CASH  
FINANCING ACTIVITIES**

Issuance of shares for the settlement of loan interest	\$	7,500	\$	-
Lease liabilities arising from obtaining right-of-use assets	\$	26,927	\$	55,958

**SUPPLEMENTAL CASH FLOWS INFORMATION**

Cash paid for income taxes	\$	-	\$	-
Cash paid for interest	\$	31,901	\$	132,535

**LEADER CAPITAL HOLDINGS CORP. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the nine months ended May 31, 2024 and 2023**  
**(In U.S. dollars except for share data)**

**1. ORGANIZATION AND BUSINESS BACKGROUND**

Leader Capital Holdings Corp. (“LCHD” or the “Company”) was incorporated on March 22, 2017, under the laws of the State of Nevada.

The Company, through its subsidiaries, mainly operates and services a mobile application investment platform.

Company Name	Place/Date of Incorporation	Principal Activities
1. Leader Financial Group Limited (“LFGL”)	Seychelles / March 6, 2017	Investment Holding
2. JFB Internet Service Limited (“JFB”)	Hong Kong / July 6, 2017	Provides an Investment Platform and a comprehensive mobile application, FinMaster mobile application (“FinMaster App”)

On August 17, 2020, LCHD, through JFB, acquired all of the issued and outstanding capital stock (the “Acquisition”) of Nice Products Inc. (“NPI”), pursuant to the terms and conditions of that certain Stock Purchase Agreement, dated as of August 17, 2020, among the Company, JFB, NPI, the selling shareholders of NPI identified therein (each a “Seller,” and, collectively, the “Sellers”) and the representative of the Sellers identified therein. As a result of the Acquisition, the Company now owns indirectly 100% of NPI, LOC Weibo Co., Ltd., and Beijing DataComm Cloud Media Technology Co., Ltd.

The aggregate purchase price for the Acquisition was \$4,850,000, less certain discounts, expenses, and reductions for outstanding NPI debt owed to the Company and/or its affiliates, resulting in a net purchase price of \$3,506,042, payable in 8,415,111 shares of the Company’s common stock to the Sellers in accordance with their respective pro rata percentage.

After the completion of the acquisition, NPI became an indirect wholly owned subsidiary of the Company.

NPI was incorporated in the British Virgin Islands on December 17, 2018.

NPI, through its subsidiaries, mainly engages in the development of ecological-systems applications, integration of big data, and promotion of Over-the-Top (“OTT”) applications.

Company Name	Place/Date of Incorporation	Principal Activities
1. LOC Weibo Co., Ltd. (“LOC”)	Republic of China/September 29, 2017	Development of ecological-systems applications, integration of big data and promotion of OTT applications
2. Beijing DataComm Cloud Media Technology Co., Ltd. (“BJDC”)	People’s Republic of China /April 16, 2013	Development of ecological-systems applications, integration of big data and promotion of OTT applications

On March 15, 2023, the board of directors decided to dissolve LOC. LOC then entered into a de-registration process and its business was taken over by LCHD. Taichung City Government approved the dissolution on April 25, 2023. LOC also appointed a liquidator on February 20, 2023. The liquidator reported to the Court in May and shall complete the liquidation within 12 months. Within 15 days after the liquidation is completed, the various forms (including solvency certificate) are prepared and sent to the supervisor for review, and subject to the approval by shareholders, and reported to the court.

LCHD and its subsidiaries (including NPI and its subsidiaries) are hereinafter referred to as the “Company”.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

These unaudited condensed consolidated financial statements of the Company and its subsidiaries are unaudited. In the opinion of management, all adjustments (which are of a normal recurring nature) and disclosures necessary for a fair presentation of these unaudited condensed consolidated financial statements have been included. The results reported in the unaudited condensed consolidated financial statements for any interim periods are not necessarily indicative of the results that may be reported for the entire year. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”) and United States (“U.S.”) generally accepted accounting principles (“U.S. GAAP”) and include the accounts of the Company and its subsidiaries. However, they do not include all information and footnotes necessary for a complete presentation of financial statements in conformity with U.S. GAAP. Certain information and footnote disclosures normally present in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. Intercompany accounts and transactions have been eliminated in consolidation.

The Company has adopted August 31 as its fiscal year-end.

### Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.

As of May 31, 2024, the Company has suffered recurring losses from operations and records an accumulated deficit, a working capital deficit, and a shareholders’ deficit of \$39,136,756, \$3,216,351, and \$3,197,991, respectively. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company’s profit-generating 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.

The Company expects to finance its operations primarily through cash flows from operations, loans from existing directors and shareholders, and placements of capital stock for additional funding. In the event that the Company requires additional funding to finance the growth of the Company’s current and expected future operations as well as to achieve our strategic objectives, a shareholder has indicated the intent and ability to provide additional financing. No assurance can be given that any future financing, if needed, will be available or, if available, that it will be on terms that are satisfactory to the Company. Even if the Company is able to obtain additional financing, if needed, it may contain undue restrictions on its operations in the case of debt financing or cause substantial dilution for its stockholders in the case of equity financing.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The COVID-19 pandemic has negatively impacted the global economy, workforces, customers, and created significant volatility and disruption of financial markets. It has also disrupted the normal operations of many businesses, including the Company’s businesses. This outbreak could decrease spending, adversely affect demand for the Company’s services, and harm its business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on its business or results of operations at this time.

Affected by COVID-19, the Company had to re-organize to improve its market competitiveness and to warrant its survival and future development. The Company also downsized its operations to safeguard its financial position by reducing labor costs, reducing office space, and simplifying operational procedures.



The Company's reduction of labor costs was done through resignation and layoffs, whereas all layoffs were processed according to local governing labor laws.

These unaudited condensed consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

#### Use of Estimates

The preparation of these unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the Company's management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. On an ongoing basis, the Company evaluates its estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may cause further business slowdowns or shutdowns, depress demand for the company's business, and adversely impact its operations results. The severity of the impact of the COVID-19 pandemic on the Company's business will continue to depend on a number of factors, including, but not limited to, the duration and severity of the pandemic, the new variants of COVID-19, the efficacy and distribution of COVID-19 vaccines and the extent and severity of the impact on the global supply chain and the Company's customers, service providers and suppliers, all of which are uncertain and cannot be reasonably predicted at this time. As of the date of issuance of the Company's financial statements, the extent to which the COVID-19 pandemic may in the future materially impact the Company's financial condition, liquidity or results of operations is uncertain. The Company is monitoring and assessing the evolving situation closely and evaluating its potential exposure. Its estimates may change as new events occur and additional information emerges, and such changes are recognized or disclosed in its consolidated financial statements.

Identified below are the accounting policies that reflect the Company's most significant estimates and judgments and those that the Company believes are the most critical to fully understanding and evaluating its unaudited condensed consolidated financial statements.

#### Business combination

The Company accounts for its business combinations using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805 "Business Combinations." The cost of an acquisition is measured as the aggregate of the acquisition date, the fair values of the assets transferred, the liabilities incurred by the Company to the sellers, and the equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of (i) the total costs of acquisition, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of comprehensive income. During the measurement period, which can be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the condensed consolidated statements of comprehensive income.

When there is a change in ownership interests that results in a loss of control of a subsidiary, the Company de-consolidates the subsidiary from the date control is lost. Any retained non-controlling investment in the former subsidiary is measured at fair value and is included in the calculation of the gain or loss upon deconsolidation of the subsidiary.

### 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 all highly liquid investments with an original maturity of three months or less as of the purchase date of such investments.

### Software Development Costs

The Company expenses software development costs, including costs to develop software products or the software component of products to be marketed to external users before technological feasibility is reached. Technological feasibility is typically reached shortly before the release of such products, and, as a result, development costs that meet the criteria for capitalization were not material for the periods presented.

The Company capitalizes development costs related to these software applications once the preliminary project stage is complete, and it is probable that the project will be completed, and the software will be used to perform the function intended.

No development costs were expensed as general and administrative expenses for the nine and three months ended May 31, 2024, and 2023.

### Revenue Recognition

The Company adopted Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”), which establishes principles for reporting information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity’s contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.

The Company recognizes revenue following the five-step model prescribed under ASU 2014-09:

Step 1: Identify the contract.

Step 2: Identify the performance obligations.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price.

Step 5: Recognize revenue.

Revenues are recognized when control of the promised goods or services is transferred to the Company’s customers, which may occur at a point in time or over time depending on the terms and conditions of the agreement, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

### Revenue by major product line

**For the nine months ended**

**For the three months ended**

	<b>May 31, 2024</b>	<b>May 31, 2023</b>	<b>May 31, 2024</b>	<b>May 31, 2023</b>
Provision of investment platform services	\$ -	\$ 17,476	\$ -	\$ 79
Provision of software development service and maintenance service	112,932	346,706	25,886	15,642
	<u>\$ 112,932</u>	<u>\$ 364,182</u>	<u>\$ 25,886</u>	<u>\$ 15,721</u>

#### Revenue by Recognition Over Time vs Point in Time

	<b>For the nine months ended</b>		<b>For the three months ended</b>	
	<b>May 31, 2024</b>	<b>May 31, 2023</b>	<b>May 31, 2024</b>	<b>May 31, 2023</b>
Revenue by recognition over time	\$ 112,932	\$ 364,182	\$ 25,886	\$ 15,721
Revenue by recognition at a point in time	-	-	-	-
	<u>\$ 112,932</u>	<u>\$ 364,182</u>	<u>\$ 25,886</u>	<u>\$ 15,721</u>

The remaining performance obligations represent contracted revenues that have not yet been recognized and include deferred revenues; invoices that have been issued to customers but were uncollected and have not been recognized as revenues; and amounts that will be invoiced and recognized as revenues in future periods. As of May 31, 2024, the Company's remaining performance obligations were \$73,508, which it expects to recognize as revenues over the next twelve months and the remainder thereafter.

The Company had not incurred any costs to obtain contracts.

The Company does not have amounts of contract assets since revenue is recognized as control of goods or services is transferred. The contract liabilities consist of advance payments from customers. The contract liabilities are reported in a net position on a customer-by-customer basis at the end of each reporting period. All contract liabilities are expected to be recognized as revenue within one year and are included in other payables and accrued liabilities in the consolidated balance sheet.

#### Contract balances

The Company's contract liabilities consist of receipts in advance for software development and FinMaster App. The Company withdrew from the investment platform service in February 2023, and the advance payment from FinMaster App would be refunded to customers upon requests received. The Company updated its assessment of the amount of refunds and recognized the amounts received for which it did not expect to be entitled as a refund liability. Below is the summary presenting the movement of the Company's contract liabilities for the nine months ended May 31, 2024 and 2023:

<b>Receipt in advance</b>	<b>2023</b>	<b>2022</b>
Balance as of September 1	\$ 75,292	\$ 169,951
Advances received from customers	112,077	211,787
Revenue recognized	(112,932)	(318,350)
Refund liability recognized	-	(13,078)
Exchange difference	(929)	(310)
Balance as of May 31	<u>\$ 73,508</u>	<u>\$ 50,000</u>

#### Practical Expedients and Exemption

The Company has not incurred any costs to obtain contracts and does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

### Research and development expenses

Research and development (“R&D”) expenses are primarily comprised of charges for R&D and consulting work performed by third parties; salaries and benefits for those employees engaged in research, design, and development activities; costs related to design tools; and allocated costs.

For the nine months ended May 31, 2024, and 2023, the total R&D expenses were \$26,991 and \$243,469, respectively.

For the three months ended May 31, 2024, and 2023, the total R&D expenses were \$10,855 and \$26,781, respectively.

### Sales and marketing expenses

Sales and marketing expenses consist primarily of marketing and promotional expenses, salaries, and other compensation-related expenses to sales and marketing personnel. Advertising expenses consist primarily of costs for the promotion of corporate image and product marketing. The Company expenses all advertising costs as incurred and classifies these costs under sales and marketing expenses. For the nine months ended May 31, 2024, and 2023, advertising costs totaled \$nil and \$19,589, respectively. For the three months ended May 31, 2024, and 2023, advertising costs totaled \$nil and \$1,166, respectively.

### General and administrative expenses

General and administrative expenses consist primarily of salaries, bonuses, and benefits for employees involved in general corporate functions, depreciation and amortization of fixed assets, legal and other professional services fees, rental, and other general corporate-related expenses.

### Leases

The Company determines if an arrangement is a lease or contains a lease at inception. Operating lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the discount rate for the lease at the commencement date. As the rate implicit in the lease is not readily determinable for the operating lease, the Company generally uses an incremental borrowing rate based on information available at the commencement date to determine the present value of future lease payments. Operating lease right-of-use (“ROU assets”) assets represent the Company’s right to control the use of an identified asset for the lease term, and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. ROU assets are generally recognized based on the amount of the initial measurement of the lease liability. Lease expense is recognized on a straight-line basis over the lease term. The Company elected the package of practical expedients permitted under the transition guidance to combine the lease and non-lease components as a single lease component for operating leases associated with the Company’s office space lease and to keep leases with an initial term of 12 months or less off the balance sheet and recognize the associated lease payments in the consolidated statements of income on a straight-line basis over the lease term.

The operating lease is included in operating lease right-of-use assets, operating lease liabilities-current, and operating lease liabilities-non-current on the Company’s consolidated balance sheets.

### Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the following expected useful lives from the date on which they become fully operational:

	<u>Expected useful life</u>
Furniture and fixture	3
Office equipment	3
Leasehold improvement	3

#### Intangible assets

The Company recorded intangible assets with definite lives, including investment platform and technical know-hows. Intangible assets are recorded at cost less accumulated amortization with no residual value. Amortization of intangible assets is computed using the straight-line method over their estimated useful lives.

The estimated useful lives of the Company's intangible assets are listed below:

Investment platform	5 years
Technical know-hows	8 years
Trademarks	10 years

#### Employee benefits

The Taiwan subsidiary also operates a Defined Contribution Pension Plan under the Labor Pension Act (the Act) for employees in Taiwan. The Act stipulated that the contribution rate by the employer per month shall not be less than 6% of the employee's monthly salary, and the Table of Monthly Contribution Salary Classification shall be prescribed by the Central Competent Authority. The highest bracket of Monthly Contribution Salary issued by the Central Competent Authority is \$4,711 (NTD150,000). The total amounts of such employee benefit expenses, which were expensed as incurred, were approximately \$nil and \$13,448 for the nine months ending May 31, 2024, and 2023, respectively. The total amounts of such employee benefit expenses, which were expensed as incurred, were approximately \$nil and \$3,579 for the three months ending May 31, 2024, and 2023, respectively.

Full-time employees of the Company in the PRC participate in a government-mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund, and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiary of the Company make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Company has no legal obligation for the benefits beyond the contributions made. The total amounts of such employee benefit expenses, which were expensed as incurred, were approximately \$10,506 and \$67,862 for the nine months ending May 31, 2024 and 2023, respectively. The total amounts of such employee benefit expenses, which were expensed as incurred, were approximately \$3,501 and \$9,812 for the three months ending May 31, 2024, and 2023, respectively.

The Hong Kong subsidiary operates a Mandatory Provident Fund ("MPF") scheme for all qualifying employees in Hong Kong. The MPF is a defined contribution scheme, and the assets of the scheme are managed by a trustee independent of the Company. The MPF is available to all employees aged 10 to 64 with at least 60 days of service under the employment of the Company in Hong Kong. Contributions are made by the Company to a cap of HK\$1,500 (equivalent to \$192 per month). The total amounts of such employee benefit expenses, which were expensed as incurred, were approximately \$1,035 and \$5,115 for the nine months ending May 31, 2024, and 2023, respectively. The total amounts of such employee benefit expenses, which were expensed as incurred, were approximately \$355 and \$3,524 for the three months ending May 31, 2024, and 2023, respectively.

#### Income taxes

Income taxes are determined in accordance with the provisions of Accounting Standards Codification ("ASC") Topic 740, "Income Taxes" ("ASC 740"). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to

taxable income in the periods in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts. As of August 31, 2023, the Company has no accrued interest or penalties related to uncertain tax positions.

The Company conducts business in the PRC, Taiwan, and Hong Kong and is subject to tax in these jurisdictions. As a result of its business activities, the Company will file tax returns that are subject to examination by the respective tax authorities.

### Net Loss Per Share

The Company calculates net loss per share in accordance with ASC Topic 260, "Earnings per Share." Basic income/(loss) per share is computed by dividing the net income/(loss) by the weighted average number of shares of common stock outstanding during the period. Diluted income per share is computed similarly to basic income/(loss) per share except that the denominator is increased to include the number of additional shares of common stock that would have been outstanding if the potential common stock equivalents had been issued and if the additional shares of common stock were dilutive. The following table presents a reconciliation of basic and diluted net loss per share:

	For the nine months ended		For the three months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Net loss	\$ (1,281,836)	\$ (2,180,698)	\$ (527,048)	\$ (734,695)
Weighted average number of shares of common stock outstanding - Basic and diluted**	226,714,813	203,769,902	230,947,844	209,052,870
Net loss per share - Basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.00)*	\$ (0.00)*

\* Less than \$0.01

\*\*Including 8,370,833 shares granted and vested but not yet issued for the period ended May 31, 2024; and including 6,484,762 shares that were granted and vested but not yet issued for the period ended May 31, 2023.

### Stock-based compensation

The Company accounts for share-based compensation awards to officers, directors, and employees and for acquiring goods and services from nonemployees in accordance with FASB ASC Topic 718, "Compensation-Stock Compensation," which requires that share-based payment transactions be measured based on the grant-date fair value of the equity instrument issued and recognized as compensation expense over the vesting period. The Company accounts for forfeitures when they occur.

Cancellation of a share-based payment by the entity results in accelerated recognition of any unrecognized cost. Cancellation by the counterparty does not change recognition of the compensation cost. The termination of an employee that resulted in the forfeiture of share-based awards is not considered to be a cancellation of the awards.

## Foreign Currencies Translation

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency using the applicable exchange rates at the balance sheet dates. The resulting exchange differences are recorded in the statements of operations.

The reporting currency of the Company is United States Dollars (“US\$”). The Company’s subsidiary in Seychelles, the PRC, Taiwan and Hong Kong maintains its books and records in United States Dollars (“US\$”), Renminbi (“RMB”), New Taiwanese Dollars (“NT\$”) and United States Dollars (“US\$”) respectively, which are the primary currencies of the economic environment in which the entities operate (the functional currencies).

In general, for consolidation purposes, the assets and liabilities of the Company’s subsidiaries whose functional currency is not US\$ are translated into US\$, in accordance with ASC Topic 830-30, “*Translation of Financial Statement*”, using the exchange rate on the balance sheet date. Revenues and expenses are translated at average rates prevailing during the period. The gains and losses resulting from the translation of the financial statements of foreign subsidiaries are recorded as a separate component of accumulated other comprehensive income within the statement of retained earnings.

Translation of amounts from foreign currencies into US\$ has been made at the following exchange rates for the respective periods:

	<u>As of</u> <u>May 31, 2024</u>	<u>As of</u> <u>August 31, 2023</u>
Period-end NT\$: US\$ 1 exchange rate	32.48	31.87
Period-end RMB: US\$ 1 exchange rate	7.24	7.26
	<u>For the nine months ended,</u>	
	<u>May 31, 2024</u>	<u>May 31, 2023</u>
Period average NT\$: US\$ 1 exchange rate	31.84	31.00
Period average RMB: US\$ 1 exchange rate	7.22	7.00

## Related Parties

Parties, which can be a corporation or an individual, are considered to be related if the Company has the ability to, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

## Segment reporting

ASC Topic 280, “Segment Reporting,” requires the use of the “management approach” model for segment reporting. The management approach model is based on the way a company’s chief operating decision-maker organizes segments within the company for making operating decisions, assessing performance, and allocating resources. Reportable segments are based on products and services, geography, legal structure, management structure, or any other manner in which management disaggregates a company.

Management determined the Company’s operations constitute a single reportable segment in accordance with ASC 280. The Company operates exclusively in one business and industry segment: the provision of investment platform services through its mobile application.

## **3. PLANT AND EQUIPMENT, NET**

Plant and equipment as of May 31, 2024, and August 31, 2023, are summarized below:

	As of May 31, 2024	As of August 31, 2023
Furniture and fixtures	\$ 6,507	\$ 13,804
Office equipment	29,676	22,805
Leasehold improvement	45,799	45,799
Total	81,982	82,408
Less: Accumulated depreciation	(81,243)	(77,888)
Plant and Equipment, net	<u>\$ 739</u>	<u>\$ 4,520</u>

Depreciation expenses, classified as operating expenses, were \$3,785 and \$30,999 for the nine months ended May 31, 2024 and 2023, respectively; and \$849 and \$8,883 for the three months ended May 31, 2024 and 2023, respectively.

#### 4. INTANGIBLE ASSETS, NET

Intangible assets costs as of May 31, 2024, and August 31, 2023, are summarized below:

	As of May 31, 2024	As of August 31, 2023
Investment platform	\$ 30,000	\$ 30,000
Technical know-hows	818,200	818,200
Trademarks	4,920	4,920
Total	853,120	853,120
Less: Accumulated amortization	(199,896)	(199,527)
Impairment	(649,781)	(649,781)
Intangible assets, net	<u>\$ 3,443</u>	<u>\$ 3,812</u>

Amortization expense for intangible assets was \$369 for the nine months ended May 31, 2024 and 2023; and \$123 for the three months ended May 31, 2024 and 2023.

During the course of the Company's strategic review of its operations, the Company assessed the recoverability of the carrying value of the Company's intangible assets. The impairment charge, if any, represented the excess of carrying amounts of the Company's intangible assets over their fair value, using the expected future discounted cash flows. No impairment loss of intangible assets was recognized for the nine months ended May 31, 2024 and 2023.

As of May 31, 2024, amortization expenses related to intangible assets for future periods are estimated to be as follows:

<b>12 months ending August 31,</b>	
2024 (remaining period)	\$ 123
2025	492
2026	492
2027	492
2028	492
2029 and thereafter	1,352
Total	<u>\$ 3,443</u>

#### 5. RELATED PARTY TRANSACTIONS AND BALANCES

<u>Name of Entity or Individual</u>	<u>Relationship with the Company</u>
DFP Holdings Limited ("DFP")	Note a
Reblood Biotech Corp.	Note b
Reblood Biotech Limited	Note b
Asia Pacific Integrating System Limited	Note c
Yi-Hsiu Lin	Shareholder and director of the Company
Jui-Chin Chen	Shareholder of the Company



Teh-Ling Chen	Shareholder of the Company
CPN Investment Limited	Shareholder of the Company
Kuo-Hsun Hsu	Shareholder of the Company
Chun-Shuo Huang	Shareholder of the Company
Yu-Cheng Tu	Shareholder of the Company
Chin-Chiang Wang	Shareholder of the Company
Ching-Nan Wang	Shareholder of the Company
Chin-Ping Wang	Shareholder of the Company
Shih-Chu Lo	Shareholder of the Company
Chang-Ming Lu	Shareholder of the Company
Chien Chiao	Shareholder of the Company
Chih-Hsien Chen	Shareholder of the Company
Mei-Hsuan Tu	Shareholder of the Company

- (a) As of May 31, 2024, the Company and Yi-Hsiu Lin held 6.919% and 6.919% of DFP's outstanding common stock. DFP was also the shareholder of the Company.
- (b) Reblood Biotech Corp., a Nevada company, in which Ching-Nan Wang was the shareholder. Reblood Biotech Limited, a Hong Kong company, which was a subsidiary of Reblood Biotech Corp.
- (c) Asia Pacific Integrating System Limited, a Taiwanese company, was solely owned by Shih-Chu Lo, a shareholder of the Company as of May 31, 2024.

### **Related party transactions:**

The Company entered into the following significant related party transactions:

	For the nine months ended		For the three months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Provision of software development service to DFP	\$ -	\$ 300,000	\$ -	\$ -
Provision of software maintenance service to DFP	30,841	46,706	25,886	15,641
Rental expense to Reblood Biotech Limited	-	27,811	-	9,509
Interest expense to:				
CPN Investment Limited	-	1,892	-	1,892
Chun-Shuo Huang	24,920	25,816	8,248	8,673
Ching-Nan Wang	44,076	54,000	14,076	18,000
Jui-Chin Chen	3,600	3,600	1,200	1,200
Chang-Ming Lu	5,380	422	1,793	422
Chin-Chiang Wang	9,000	9,000	3,000	3,000
Chih-Hsien Chen	7,500	-	7,500	-

### **Related party balances:**

Apart from the above, the Company recorded the following significant related party balances as of May 31, 2024 and August 31, 2023:

	<u>As of May 31, 2024</u>	<u>As of August 31, 2023</u>
due to Asia Pacific Integrating System Limited	\$ 50,000	\$ 50,000

The Company entered into an agreement with a third-party customer to assist the customer in the development of their mobile e-commerce software on July 12, 2023. Up to the date of this report, \$nil of the above contract liabilities had been utilized.

	<u>As of May 31, 2024</u>	<u>As of August 31, 2023</u>
Accrued interests payable to related parties		
Ching-Nan Wang	\$ 101,779	\$ 56,935
Chun-Shuo Huang	96	2,851
Jui-Chin Chen	11,629	8,029
Chin-Chiang Wang	18,165	9,165
CPN Investment Limited	-	1,892
Chang-Ming Lu	597	598
	<u>\$ 132,266</u>	<u>\$ 79,470</u>

## 6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<u>As of May 31, 2024</u>	<u>As of August 31, 2023</u>
Rental and management fee deposits	\$ 5,529	\$ 18,429
Other prepaid expenses	2,105	22,068
Staff advances	39,535	-
Other taxes recoverable	6	-
	<u>47,175</u>	<u>40,497</u>
Less: non-current portion		
Rental and management fee deposits	-	731
Prepayments, deposits and other receivables, non-current	-	731
Prepayments, deposits and other receivables, current	<u>\$ 47,175</u>	<u>\$ 39,766</u>

## 7. ACCRUED EXPENSES AND OTHER PAYABLES

	<u>As of May 31, 2024</u>	<u>As of August 31, 2023</u>
Accrued interests	\$ 134,330	\$ 79,470
Accrued payroll	114,620	192,886
Other accrued expenses	308,968	251,119
Other payables	46,667	-
Refund liabilities	11,630	23,691
Point liabilities	10,317	-
	<u>\$ 626,532</u>	<u>\$ 547,166</u>

## 8. DUE FROM (TO) SHAREHOLDERS AND DIRECTORS

	<u>As of May 31, 2024</u>	<u>As of August 31, 2023</u>
Other loans from shareholders:		
Jui-Chin Chen (b)	\$ (80,000)	\$ (80,000)
Chun-Shuo Huang (a)	(138,102)	(140,647)
Mei-Ying Huang (d)	(2,464)	(2,510)
Chin-Chiang Wang (c)	(200,000)	(200,000)
CPN Investment Limited	-	(18,400)
Chang-Ming Lu (f)	(138,102)	(140,677)
Chih-Hsien Chen (g)	(60,000)	-

Mei-Hsuan Tu (h)	(20,000)	-
Total	(638,668)	(582,234)
Less: Other loans from shareholders, non-current	-	200,000
	<u>\$ (638,668)</u>	<u>\$ (382,234)</u>
Due to a director - current:		
Yi-Hsiu Lin (e)	<u>\$ (1,271,419)</u>	<u>\$ (1,101,264)</u>
Due to shareholders - current:		
Yu-Cheng Tu (e)	\$ (35,232)	\$ (37,237)
Hung-Pin Cheng (e)	(5,111)	(5,192)
Mei-Ying Huang (e)	(800)	(800)
Shih-Chu Lo (e)	(800)	(800)
Jun-Yuan Chen (e)	(800)	(800)
Total	<u>\$ (42,743)</u>	<u>\$ (44,829)</u>
Due from a shareholder – current:		
Kuo-Hsun Hsu (e)	<u>\$ 24,287</u>	<u>\$ 24,751</u>

- (a) The other loan from Chun-Shuo Huang, was unsecured, with 2% interest-bearing per month and repayable on June 30, 2024.
- (b) The other loan from Jui-Chin Chen, was unsecured, with 6% interest-bearing per annum and repayable on November 30, 2024.
- (c) The other loan from Chin-Chiang Wang, was unsecured, with 6% interest-bearing per annum and repayable on November 25, 2024.
- (d) The other loan from Mei-Ying Huang, was unsecured, with non-interest-bearing and repayable based on the Company's financial ability.
- (e) Amounts due with shareholders and a director are unsecured, interest-free with no fixed payment term.
- (f) The other loan from Chang-Ming Lu, was unsecured, with 1% interest-bearing per month and repayable on December 31, 2024.
- (g) The other loan from Chih-Hsien Chen was unsecured and repayable on December 1, 2024. 150,000 shares of restricted common stock of the Company was issued as interest payment on April 23, 2024.
- (h) The other loan from Mei-Hsuan Tu, was unsecured, with non-interest-bearing and repayable on May 28, 2025. Interest of 6% per annum would be charged to the overdue repayment.

## 9. OTHER LOANS

	As of May 31, 2024	As of August 31, 2023
Other loans:		
- from shareholders	\$ 618,668	\$ 582,234
- from non-related parties	254,290	1,130
	872,958	583,364
Less: Other loan, non-current:	-	(200,000)
	<u>\$ 872,958</u>	<u>\$ 383,364</u>

On September 15, 2022, the Company borrowed a non-interest-bearing loan of NTD30,000 (\$924) from a non-related company which was owned by an employee of the Company. The loan would be repayable on September 15, 2023. Further, a non-interest loan of NTD148,000 (\$4,557) was borrowed in January 2023 and NTD275,409 (\$8,552) during the nine months ended May 31, 2024, which would be repayable in one year. The Company repaid NTD335,224 (\$10,372) as of May 31, 2024.

For the nine months ended May 31, 2024, the Company borrowed 3.5% p.a. interest-bearing loans of NTD7,989,533 (\$250,630) from another non-related company which was jointly owned by an employee of the Company and a third party. The loans would be repayable on December 31, 2024.

## 10. BONDS PAYABLE

The Company entered into a Bond Purchase Agreement with Ching-Nan Wang (who became the Company's shareholder in May 2021) on August 14, 2019, pursuant to which the Company issued and sold to the purchaser a bond at an aggregate purchase price of \$600,000. The bond will mature three years from August 14, 2019. Interest on the bond accrues at a rate of 10% per annum and is payable on a semi-yearly basis. The Company may exercise its right to repay this bond at any time on or before two years from the maturity date by wiring 100% of all outstanding principal and interest to the purchaser. On August 10, 2022, the bond was further extended to August 14, 2023, and 12% p.a. interest was payable quarterly. The bond was collateralized by 2,000,000 shares of DFP Holdings Limited and 1,000,000 shares of Reblood Biotech Corp. held by Yi-Hsiu Lin. Interest of \$44,844 and \$54,000 was incurred in nine months ended May 31, 2024 and 2023, respectively. Interest of \$14,076 and \$18,000 was incurred in three months ended May 31, 2024, and 2023, respectively. Interest of \$101,779 and \$56,935 was accrued as of May 31, 2024, and August 31, 2023, respectively. On July 31, 2023, the bond was further extended to August 14, 2024. On November 1, 2023, both parties agreed to offset \$200,000 bonds with 1 million shares of Reblood Biotech Corp. originally held by Yi-Hsiu Lin while the remaining principal and interest payable were collateralized by 2,000,000 shares of DFP Holdings Limited held by Yi-Hsiu Lin.

## 11. INCOME TAXES

For the period ended May 31, 2024 and 2023, the local (United States) and foreign components of loss before income tax were comprised of the following:

	Nine months ended		Three months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Tax jurisdictions from:				
- Local	\$ (679,749)	\$ (822,441)	\$ (219,468)	\$ (364,818)
- Foreign, representing				
Seychelles	-	-	-	-
British Virgin Islands	62	(1,291)	51	108
Taiwan	-	(568,861)	-	(131,759)
PRC	(107,181)	(466,336)	(36,248)	(125,314)
Hong Kong	(494,968)	(321,769)	(271,383)	(112,912)
Loss before income tax	(1,281,836)	(2,180,698)	(527,048)	(734,695)

The components of the benefit for income taxes expenses are:

	Nine months ended		Three months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Current	\$ -	\$ -	\$ -	\$ -
Deferred	-	-	-	-

Total income tax benefit	\$	-	\$	-	\$	-	\$	-
--------------------------	----	---	----	---	----	---	----	---

The benefit for income taxes consisted of the following:

	Nine months ended		Three months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Loss before income taxes	\$ (1,281,836)	(2,180,698)	(527,048)	(734,695)
Statutory income tax rate	21%	21%	21%	21%
Income tax credit computed at statutory income rate	(269,185)	(302,933)	(110,680)	(151,928)
Reconciling items:				
Non-deductible expenses	103,943	53,183	50,656	5,280
Share-based payments	121,450	92,867	41,781	56,467
Tax effect of tax exempt entity	(13)	294	(11)	54
Rate differential in different tax jurisdictions	(4,287)	(9,006)	(2,656)	(5,678)
Valuation allowance on deferred tax assets	48,093	165,595	20,910	95,805
Income tax benefit	\$ -	\$ -	\$ -	\$ -

#### *United States of America*

The Company is registered in the State of Nevada and is subject to the tax laws of the United States of America. As of May 31, 2024, the operations in the United States of America incurred \$2,711,600 of cumulative net operating losses (NOL's) which can be carried forward to offset future taxable income. The NOL carryforwards begin to expire in 2038, if unutilized. As of May 31, 2024, the Company has provided for a full valuation allowance of \$569,436 against the deferred tax assets on the expected future tax benefits from the net operating loss carryforwards as the management believes it is more likely than not that these assets will not be realized in the future.

#### *Seychelles*

Under the current laws of the Seychelles, LFGL is registered as an international business company, as such, LFGL is governed by the International Business Companies Act of Seychelles and not subject to income taxes in Seychelles.

#### *British Virgin Islands*

NPI is tax-exempt in the British Virgin Islands, where it was incorporated.

#### *Taiwan*

LOC is subject to corporate income tax ("CIT") in Taiwan. Since January 1, 2018, the CIT rate in Taiwan is 20%. As of May 31, 2024, LOC had net operating loss carry-forwards in Taiwan of \$4,038,351, which will expire in various years through 2028. The Company has provided for a full valuation allowance of \$807,670 against the deferred tax assets on the expected future tax benefits from the net operating loss carryforwards as the management believes it is more likely than not that these assets will not be realized in the future.

#### *PRC*

BJDC is subject to corporate income tax (“CIT”) at 25% in accordance with the relevant tax laws and regulations of the PRC. As of May 31, 2024, BJDC had a net operating loss carry-forwards in the PRC of \$3,018,660, which will expire in various years through 2029. The Company has provided for a full valuation allowance of \$754,665 against the deferred tax assets on the expected future tax benefits from the net operating loss carryforwards as the management believes it is more likely than not that these assets will not be realized in the future.

### *Hong Kong*

JFB is subject to Hong Kong Profits Tax, which is charged at the statutory income rate of 16.5% on its assessable income. No provision for Hong Kong profits tax has been made in the financial statements as JFB has no assessable profits for the period. As of May 31, 2024, the operations in Hong Kong incurred \$nil of cumulative net operating losses (NOLs), which can be carried forward indefinitely to offset future taxable income. As of May 31, 2024, the Company has provided for a full valuation allowance of approximately \$nil against the deferred tax assets on the expected future tax benefits from the net operating loss carryforwards as the management believes it is more likely than not that these assets will not be realized in the future.

	<u>May 31, 2024</u>	<u>August 31, 2023</u>
Deferred tax assets:		
Net operating loss carryforwards		
– United States of America	\$ (569,436)	\$ (548,139)
– Taiwan	(807,670)	(807,670)
– PRC	(754,665)	(722,766)
– Hong Kong	-	-
Less: valuation allowance	2,131,771	2,078,575
	<u>\$ -</u>	<u>\$ -</u>

## **12. COMMON STOCK**

On September 1, 2021, the Company renewed the employment agreement with Yi-Hsiu Lin for two years. Pursuant to the agreement, Mr. Lin will be compensated at an annual rate of \$120,000 per year (the “Base Compensation”), prorated for any partial year, payable in cash or with 2,500,000 shares of restricted common stock, which would vest as of March 1, 2022, and March 1, 2023. In addition, Mr. Lin may be entitled to bonus compensation of up to three times the Base Compensation based on his achievement of appropriate performance criteria to be determined by the board of directors or a committee thereof. The bonus compensation offer was canceled on March 1, 2022. The fair value of the shares of restricted common stock for the year ending August 31, 2023, was \$250,000, which was calculated based on a price per share of \$0.10 and amortized over the service term. On September 1, 2023, the Company renewed the employment agreement with Yi-Hsiu Lin for an additional two years. Pursuant to the agreement, Mr. Lin will be compensated at an annual rate of \$180,000 per year (the “Base Compensation”), prorated for any partial year, payable in cash or with 5,000,000 shares of restricted common stock, which would vest as of March 1, 2024, and March 1, 2025. In addition, Mr. Lin may be entitled to bonus compensation of up to three times the Base Compensation based on his achievement of appropriate performance criteria to be determined by the board of directors or a committee thereof. The fair value of the shares of restricted common stock for the year ending August 31, 2024, was \$250,000, which was calculated based on a price per share of \$0.05 and amortized over the service term. During the nine months ended May 31, 2024, and 2023, the Company amortized \$187,500 as remuneration. During the three months ended May 31, 2024, and 2023, the Company amortized \$62,500 as remuneration.

On September 1, 2022, the Company issued a director offer letter to Shui Fung Cheng, pursuant to which Mr. Cheng agreed to serve as a director of the Company for a one-year term. For his service as a director, Mr. Cheng would receive an annual compensation, prorated for any partial year, in the form of \$80,000 in cash or 1,500,000 shares of restricted common stock. The offer letter provided that compensation, either in cash or shares of restricted common stock, would be paid or granted immediately on September 1, 2022. On September 1, 2023, the Company re-issued a director offer letter to Shui Fung Cheng with the same compensation for a further one year. The fair value of the shares of restricted common stock granted on

September 1, 2022, and 2023, respectively, was \$150,000 and \$75,000, which was calculated based on a price per share of \$0.10 and \$0.05 amortized over the service term. During the nine months ended May 31, 2024, and 2023, the Company amortized \$56,250 and \$112,500 as remuneration, respectively. During the three months ended May 31, 2024, and 2023, the Company amortized \$18,750 and \$37,500 as remuneration, respectively.

On June 30, 2020, the Company's board of directors agreed to grant a new employee of JFB, (i) 5,000,000 shares of restricted common stock in connection with such employee's employment (the "Inducement Shares") and (ii) 5,000,000 shares of restricted common stock upon the achievement of each of two milestones set forth in such employee's offer letter relating to the FinMaster mobile application. The fair value of the shares of restricted common stock to be issued to him was \$6,000,000, which was calculated based on a price per share of \$0.40. As of August 31, 2022, apart from the 5,000,000 Inducement Shares, 5,000,000 shares were vested to the employee upon achievement of the first milestone set forth in the employee's offer letters, the Company amortized \$139,560, \$1,622,940 and \$237,500, respectively as salaries under this milestone for the years ended August 2022, 2021, and 2020. However, during the year ended August 31, 2022, the company reassessed the likelihood that the employee will achieve the second milestone and determined that the employee will not achieve the targets of the second milestone; the Company recognized a reverse to salary of \$348,627 under this milestone. As of May 31, 2024, 10,000,000 shares were issued.

The Company issued 8,415,111 shares of common stock for the acquisition of NPI in August 2020 (Note 1).

On February 8, 2021, the Company and First Leader Capital Ltd. mutually agreed to further forfeit and surrender 5,000,000 shares (the "Surrendered Shares") of the Company's common stock, par value \$0.0001 per share (the "Common Stock"). The Surrendered Shares were automatically canceled and retired. First Leader Capital Ltd. agreed to forfeit and cancel the Surrendered Shares in exchange for reducing the Company's outstanding Common Stock to be more in line with what management deems to be market expectations based on the Company's current valuation.

On May 17, 2021, the Company and First Leader Capital Ltd., again, mutually agreed to forfeit and surrender 13,132,500 shares (the "Surrendered Shares") of the Company's common stock, par value \$0.0001 per share (the "Common Stock"). The Surrendered Shares were automatically canceled and retired. First Leader Capital Ltd. agreed to forfeit and cancel the Surrendered Shares in exchange for reducing the Company's outstanding Common Stock to be more in line with what management deems to be market expectations based on the Company's current valuation.

On September 1, 2021, the Company issued an offer letter to Hsu Kuo-Hsun, pursuant to which Mr. Hsu agreed to serve as chairman of LOC for two years. Per the terms of the offer letter, Mr. Hsu will receive a monthly remuneration of NT\$60,000 (equivalent to \$1,870) in cash and 2,400,000 shares of restricted common stock, which shall be granted in two equal tranches and vested on March 1, 2022, and March 1, 2023. The fair value of the shares of restricted common stock for the each of years ending August 31, 2023, and 2022 was \$120,000, which was calculated based on a price per share of \$0.10 and amortized over the service term. During the nine and three months ending May 31, 2023, the Company amortized \$90,000 and \$30,000, respectively as remuneration under this agreement. 1,200,000 shares were issued on October 5, 2022.

On September 1, 2021, the Company issued a Senior Vice President ("SVP") offer letter to Chiao Chien, pursuant to which Mr. Chiao agreed to serve as SVP of user experience of the Company for two years. For his services, Mr. Chiao will receive a monthly remuneration of RMB 17,000 (equivalent to \$2,418) in cash and 3,000,000 shares of restricted common stock, which shall be granted in two equal tranches and vested on March 1, 2022, and March 1, 2023. On September 1, 2023, the Company re-issued an SVP offer letter to Chiao Chien offering monthly remuneration of RMB 13,000 (equivalent to \$1,787) in cash and 6,000,000 shares of restricted common stock, which shall be granted in two equal tranches and vested on March 1, 2024, and March 1, 2025. The fair value of the shares of restricted common stock granted on September 1, 2022, and 2023 was \$150,000 each, which was calculated based on a price per share of \$0.10 and \$0.05 amortized over the service term. During the nine months ended May 31, 2024, and 2023, the Company amortized \$112,500 each as remuneration under this agreement. During the three months ended May 31, 2024, and 2023, the Company amortized \$37,500 each as remuneration under this agreement. 1,500,000 shares were issued on October 5, 2022.

On December 21, 2021, pursuant to the 2021 Equity Incentive Plan, the Company granted an aggregate of 9,550,850 non-restricted share units of the Company's common stock to certain employees and consultants of the Company. In accordance with the vesting schedule of the grant, the restricted shares will vest immediately. The fair price of the non-restricted shares was \$0.10 per share. The Company recognized the share-based compensation expenses over the vesting period on a graded-vesting method. The shares were issued on March 2, 2022. As of May 31, 2024, neither unrecognized stock-based compensation was associated with the above share units, nor were vested shares to be issued.

On January 26, 2022, the shareholders- Chin-Ping Wang and Ching-Nan Wang, submitted conversion notices to the Company converting all of the outstanding balances of their Convertible Notes payable into an aggregate of 1,600,000 shares of the Company's common stock. The conversion was approved by the Company on January 31, 2022, and the shares were issued on March 15, 2022.

On May 12, 2022, the shareholder- Teh-Ling Chen, submitted a conversion notice to the Company, converting all of the outstanding balance of his Convertible Notes payable into an aggregate of 2,000,000 shares of the Company's common stock. The conversion was approved by the Company on May 17, 2022, and the shares were issued on May 19, 2022.

On June 17, 2022, 500,576 shares of the Company were issued to shareholder- Teh-Ling Chen for the repayment of loan balance and accrued interest.

On October 1, 2022, the Company entered into a consultant agreement with Shou-Hung Hsu for two years. Pursuant to the agreement, Mr. Hsu was compensated at \$25,000 per year, prorated for any partial year, payable in cash or with 700,000 shares of restricted common stock, which would vest as of December 31, 2022, and September 30, 2023. The fair value of the shares of restricted common stock was \$35,000 and \$17,500, respectively, for the first and second year, which was calculated based on a price per share of \$0.10 and \$0.05 and amortized over the service term. During the nine months ending May 31, 2024, and 2023, the Company amortized \$14,583 and \$23,334, respectively, as consulting expenses under this agreement. During the three months ending May 31, 2024, and 2023, the Company amortized \$4,375 and \$8,751, respectively, as consulting expenses under this agreement.

On February 20, 2023, the Company appointed a third party as liquidator of LOC. The party will receive remuneration of \$30,000 in cash and 200,000 shares of restricted common stock for the services provided. The fair value of the shares of restricted common stock was \$20,000, which was calculated based on a price per share of \$0.10. During the nine and three months ended May 31, 2023, the Company recognized \$50,000 as professional fees under this agreement. On April 10, 2024, both parties mutually agreed to cancel the remuneration in the form of stock.

On February 28, 2023, the Company dismissed ten employees located in Beijing and was liable to pay severance payment of \$129,409 (RMB907,000), payable in cash of \$36,766 (RMB258,500) and with 926,429 shares of restricted common stock, which would vest on August 31, 2023. The fair value of the shares of restricted common stock was \$92,643, which was calculated based on a price per share of \$0.10. During the nine and three months ended May 31, 2023, the Company recognized \$92,642 and \$nil, respectively as severance payment. The shares were issued on April 24, 2024.

On March 15, 2023, the Company issued an offer letter to Kuo-Kang Chang, pursuant to which Mr. Chang agreed to serve as senior VP of marketing and branding strategy for two years. For his services, Mr. Chang will receive an annual remuneration of \$20,000 in cash or 1,000,000 shares of restricted common stock. In addition, Mr. Chang may be entitled to an additional 1,000,000 restricted shares based on his achievement of appropriate performance criteria to be determined by the board of directors or a committee thereof. The fair value of the shares of restricted common stock for the first year was \$100,000, which was calculated based on a price per share of \$0.10 and amortized over the service term. The performance criterion was not achieved as of May 31, 2024. During the nine months ended May 31, 2024, and 2023, the Company amortized \$66,667 and \$16,667, respectively, as consulting expenses under this agreement. During the three months ended May 31, 2024, and 2023,



the Company amortized \$8,334 and \$16,667, respectively, as consulting expenses under this agreement. 1,000,000 shares were issued to Mr. Chang on April 10, 2023.

On April 20, 2023, the Company entered into a consultant agreement with Yueh-Hung Chou for one year. Pursuant to the agreement, Mr. Chou will be compensated at NT\$25,000 per month. In addition, he would be remunerated by 300,000 restricted shares of the Company upon the achievement of certain performance as agreed. Mr. Chou resigned at end of November 2023 and the performance criterion was not achieved as of May 31, 2024. During the nine and three months ended May 31, 2024, no share-based compensation was recognized by the Company under this agreement.

On August 1, 2023, the Company entered into a consultant agreement with Chih-Chieh Huang for one year. Pursuant to the agreement, Mr. Huang will receive \$20,000 in the form of 200,000 shares of restricted common stock, which shall be vested on or before October 31, 2023. The fair value of the shares of restricted common stock was \$10,000, which was calculated based on a price per share of \$0.05 and amortized over the service term. During the nine and three months ended May 31, 2024, the Company recognized \$8,333 and \$2,500, respectively as consulting expenses under this agreement. 200,000 shares were issued to Mr. Huang on October 11, 2023.

On September 1, 2023, the Company issued an offer letter to Chang-Ming Lu for one year, pursuant to which Mr. Chang agreed to serve as senior VP of research and testing for one year. For his services, Mr. Chang will receive 3,000,000 shares of restricted common stock, which shall be granted and vested on March 1, 2024. The fair value of the shares of restricted common stock was \$150,000, which was calculated based on a price per share of \$0.05 and amortized over the service term. During the nine and three months ended May 31, 2024, the Company amortized \$112,500 and \$37,500, respectively as remuneration under this agreement. 3,000,000 shares were issued to Mr. Lu on May 9, 2024.

On January 1, 2024, the Company entered into a consultant agreement with Xu Zheng for one year. Pursuant to the agreement, Mr. Zheng was compensated with 1,500,000 shares of restricted common stock, which would vest on July 1, 2024. The fair value of the shares of restricted common stock was \$75,000 which was calculated based on a price per share of \$0.05 and amortized over the service term. During the nine and three months ending May 31, 2024, the Company amortized \$31,250 and \$18,750, respectively as consulting expenses under this agreement.

On March 1, 2024, the Company issued an offer letter to Yu-Cheng Tu, pursuant to which Mr. Tu agreed to serve as senior VP of business for two years. For his services, Mr. Tu will receive a monthly remuneration of \$1,445 (NTD46,000) in cash and 700,000 shares of restricted common stock. The fair value of the shares of restricted common stock for the first year would be \$17,500, which is calculated based on a price per share of \$0.05 and amortized over the service term. During the nine- and three-months ending May 31, 2024, the Company amortized \$4,375 as remuneration under this agreement.

On April 1, 2024, the Company entered into a consultant agreement with Chih-Hsien Chen for one year. Pursuant to the agreement, Mr. Chen was compensated with 150,000 shares of restricted common stock, which would vest on June 1, 2024. The fair value of the shares of restricted common stock was \$7,500 which was calculated based on a price per share of \$0.05 and amortized over the service term. During the nine and three months ending May 31, 2024, the Company amortized \$1,250 as consulting expenses under this agreement. The shares were issued to Mr. Chen on April 22, 2024.

On May 1, 2024, the Company entered into a consultant agreement with Yu-Ling Ho for one year. Pursuant to the agreement, Ms. Ho was compensated with 150,000 shares of restricted common stock upon the achievement of certain performance as agreed. The fair value of the shares of restricted common stock was \$7,500 which was calculated based on a price per share of \$0.05 and amortized over the service term. The performance criterion was not achieved as of May 31, 2024, and no consulting expenses were recognized during the nine and three months ending May 31, 2024.

From May 2020 to August 2021, the Company entered into securities purchase agreements with several accredited investors whereby the investors purchased a total of 37,157,535 shares of the Company's common stock at an average price of \$0.140 per share. The Company received aggregate gross proceeds of \$5,206,994. Pursuant to the terms of the securities purchase

agreements, the investors have piggyback registration rights with respect to the shares. The shares were fully issued by August 30, 2021.

From September 2021 to August 2022, the Company entered into securities purchase agreements with several accredited investors whereby the investors purchased a total of 19,170,000 shares of the Company's common stock at an average price of \$0.12 per share. The Company received aggregate gross proceeds of \$2,290,000. Pursuant to the terms of the securities purchase agreements, the investors have piggyback registration rights with respect to the shares. The shares were fully issued by September 2, 2022.

From October 2022 to August 2023, the Company entered into securities purchase agreements with several accredited investors whereby the investors purchased a total of 10,630,400 shares of the Company's restricted common stock at an average price of \$0.12 per share. The Company received aggregate gross proceeds of \$1,031,506. Pursuant to the terms of the securities purchase agreement, the investor will have piggyback registration rights with respect to the shares. The shares were fully issued to the investors by September 18, 2023.

From September 2023 to March 2024, the Company received aggregate gross proceeds of \$280,000 from several accredited investors, whereby the investors intended to purchase a total of 5,000,000 shares of the Company's restricted common stock at an average price of \$0.056 per share. All shares were issued as of May 31, 2024.

As of May 31, 2024, the unrecognized share-based compensation expense was \$234,375.

As of May 31, 2024, 8,370,833 shares were granted to employees and vested but have not yet been issued.

### 13. COMMITMENTS AND CONTINGENCIES

During the period ending May 31, 2024, the Company entered into lease agreements with independent third parties to rent office and staff quarter premises in Taiwan, Shenzhen, and Beijing on a monthly basis. The rental expenses for the nine months ended May 31, 2024, and 2023, which were \$38,806 and \$179,457, respectively; and \$11,078 and \$48,811 for the three months ended May 31, 2024, and 2023, respectively.

The components of lease costs, lease term, and discount rate with respect to leases with an initial term of at least 12 months are as follows:

	<b>For the nine months ended</b>	
	<b>May 31, 2024</b>	<b>May 31, 2023</b>
Operating lease cost – classified as general and administrative expenses	\$ 30,253	\$ 143,916
Weighted Average Remaining Lease Term – Operating leases	0.38 years	0.64 years
Weighted Average Discounting Rate – Operating leases	5.77%	5.57%

The following is a schedule, by years, of maturities of lease liabilities as of May 31, 2024:

	<b>Operating leases</b>
2024 (remaining period)	\$
2025	6,864
2026	4,488
2027	-
2028	-
Thereafter	-
<b>Total undiscounted cash flows</b>	<b>11,352</b>

Less: imputed interest	(110)
Present value of lease liabilities	<u>\$ 11,242</u>

### Contingencies

The Labor Contract Law of the People’s Republic of China requires employers to assure the liability of the severance payments if employees are terminated due to restructuring, mutual agreement, or expiration of a fixed-term labor contract. The Company has estimated its possible severance payments of approximately \$24,000 and \$72,000 as of May 31, 2024, and August 31, 2023, respectively. On May 31, 2023, the Company dismissed ten employees and incurred severance payments of \$129,572 (RMB907,000). The compensation was payable in the form of cash of \$36,930 (RMB258,500) and 926,429 restricted shares of the Company. The fair value of the shares of restricted common stock was \$92,642, which was calculated based on a price per share of \$0.10. The shares were issued on April 24, 2024.

In Taiwan, an employer can terminate an employment contract with notice (or with pay in lieu of notice) and with severance pay only due to stoppage of business or a transfer of ownership, business losses or curtailment of business operations, suspension of operations due to a force majeure event, or alteration of the business nature, forcing a reduction in the number of employees, and those employees cannot be reassigned to other suitable positions, or the employee is incapable of performing the tasks assigned. The Company has estimated its possible severance payments of approximately \$nil and \$39,000 as of May 31, 2024, and August 31, 2023, respectively, which have not been reflected in its condensed consolidated financial statements because it is more likely than not that this will not be paid or incurred.

### **14. SUBSEQUENT EVENTS**

On July 1, 2024, the Company entered into Supplement 1 with Yu-Ling Ho that the consultant would be granted a total of 150,000 restricted shares of common stocks of the Company when the consultant generate income of \$80,000 for the Company within 6 months from the date of the original agreement.