



**Elite Education Group International Ltd.**  
**Fiscal Year End 2021 and 2020 Financial Results**

**ELITE EDUCATION INTERNATIONAL CO., LTD**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF SEPTEMBER 30, 2021 and 2020**  
(US\$, except share data and per share data, or otherwise noted)

	September 30, 2021 US\$	September 30, 2020 US\$
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	16,537,174	7,407,990
Accounts receivables	154,537	149,361
Prepaid expenses	1,560,847	1,632,647
Deferred IPO costs	-	783,889
Notes receivable	180,000	-
Income tax receivable	1,149,506	668,639
<b>Total current assets</b>	<b>19,582,064</b>	<b>10,642,526</b>
Non-current assets		
Property and equipment, net	3,479,922	3,120,564
Long term prepaid expenses	-	159,382
Deferred income tax assets	321,057	-
Notes receivable	-	280,000
Right-of-use assets	626,596	-
<b>Total assets</b>	<b>24,009,639</b>	<b>14,202,472</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities:</b>		
Current liabilities		
Accounts payable and other liabilities	2,960,915	1,976,668
Student deposits	681,818	994,940
Due to related party	140,000	140,000
Lease liabilities - current	259,297	-
Deferred revenue	4,569,664	3,608,237
<b>Total current liabilities</b>	<b>8,611,694</b>	<b>6,719,845</b>
Non-current liabilities		
Lease liabilities - non current	461,997	-
<b>Total liabilities</b>	<b>9,073,691</b>	<b>6,719,845</b>

**Commitments and contingencies****Shareholders' equity**

Common shares, US\$0.0015873 par value, 31,500,000 shares authorized, 10,412,843 and 7,938,000 shares issued and outstanding as of September 30, 2021 and September 30, 2020, respectively

	16,528	12,600
Additional paid-in capital	11,464,979	2,731,273
Subscription receivable	(200,000)	-
Retained earnings	3,654,441	4,738,754
<b>Total shareholders' equity</b>	<b>14,935,948</b>	<b>7,482,627</b>
<b>Total liabilities and shareholders' equity</b>	<b>24,009,639</b>	<b>14,202,472</b>

**ELITE EDUCATION INTERNATIONAL CO., LTD**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHEENSIVE INCOME**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021, 2020 AND 2019**  
(US\$, except share data and per share data, or otherwise noted)

	September 30, 2021 <u>US\$</u>	September 30, 2020 <u>US\$</u>	September 30, 2019 <u>US\$</u>
Revenues	5,341,850	9,063,137	8,700,332
Costs of services	1,934,237	2,342,276	2,228,307
<b>Gross profit</b>	<b>3,407,613</b>	<b>6,720,861</b>	<b>6,472,025</b>
<b>Operating costs and expenses:</b>			
Selling expenses	1,732,758	2,310,188	1,965,102
General and administrative	3,148,256	3,115,120	1,863,290
<b>Total operating costs and expenses</b>	<b>4,881,014</b>	<b>5,425,308</b>	<b>3,828,392</b>
<b>Income (loss) from operations</b>	<b>(1,473,401)</b>	<b>1,295,553</b>	<b>2,643,633</b>
<b>Other (income) expenses:</b>			
Other income	(71,640)	(55,000)	-
Interest income	(9,537)	(35,293)	(79,921)
Foreign exchange gain	(743)	(23,262)	-
<b>Total other (income) expenses</b>	<b>(81,920)</b>	<b>(113,555)</b>	<b>(79,921)</b>
<b>Income (loss) before provision for income taxes</b>	<b>(1,391,481)</b>	<b>1,409,108</b>	<b>2,723,554</b>
Current income tax expense	13,889	397,553	572,082
Deferred income tax expense (recovery)	(321,057)	-	96,714
<b>Income taxes expense</b>	<b>(307,168)</b>	<b>397,553</b>	<b>668,796</b>
	-	-	-
<b>Net income</b>	<b>(1,084,313)</b>	<b>1,011,555</b>	<b>2,054,758</b>
<b>Comprehensive income</b>	<b>(1,084,313)</b>	<b>1,011,555</b>	<b>2,054,758</b>
<b>Basic &amp; diluted net income per share</b>	<b>\$ (0.12)</b>	<b>\$ 0.13</b>	<b>\$ 0.26</b>
<b>Weighted average number of ordinary shares- basic and diluted</b>	<b>9,160,447</b>	<b>7,938,000</b>	<b>7,938,000</b>

**ELITE EDUCATION INTERNATIONAL CO., LTD**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2021, 2020 AND 2019**  
**(US\$, except share data and per share data, or otherwise noted)**

	September 30, 2021 US\$	September 30, 2020 US\$	September 30, 2019
<b>Cash Flows from Operating Activities:</b>			
Net income	(1,084,313)	1,011,555	2,054,758
Adjustments for items not affecting cash:			
Depreciation and amortization	126,234	87,593	91,814
Non-cash lease expenses	94,698	-	-
Deferred income tax expense	(321,057)	-	96,714
Gain from disposal of fixed assets	(4,000)	-	-
Changes in operating assets and liabilities			
Accounts receivable	(5,176)	89,521	(207,602)
Prepaid expenses	71,800	428,592	(384,997)
Long-term prepaid expenses	159,382	584,356	547,487
Accounts payable & accrued liabilities	1,117,184	545,606	849,228
Deferred revenue	961,426	(3,221,807)	1,210,943
Income tax receivable	(480,866)	(664,399)	-
Student deposits	(313,122)	994,940	411,354
Net cash provided from (used in) operating activities	322,190	(144,043)	4,669,699
<b>Cash Flows from Investing Activities:</b>			
Purchase of property and equipment	(618,529)	(288,555)	(203,172)
Notes receivable	100,000	-	-
Notes receivable	4,000	-	-
Net cash used in investing activities	(514,529)	(288,555)	(203,172)
<b>Cash Flows from Financing Activities:</b>			
Amount advanced from related parties			140,000
Deferred costs related to initial public offering	-	(432,035)	(351,854)
Proceeds from initial public offering, net of issuance costs	9,321,523	-	-
Net cash provided from (used in) financing activities	9,321,523	(432,035)	(211,854)
Net increase/(decrease) in cash, cash equivalents and restricted cash	9,129,184	(864,633)	4,254,673
Cash and cash equivalents, beginning of period	7,407,990	8,272,623	4,017,950
Cash and cash equivalents, end of period	16,537,174	7,407,990	8,272,623

**Source: Elite Education Group International Limited**