

ASIABROAD LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 1 APRIL 2023
TO 31 DECEMBER 2023**

ASIABROAD LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2023 TO 31 DECEMBER 2023

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(EXPRESSED IN EUROS)

ASIABROAD LIMITED
DIRECTOR'S REPORT
FOR THE PERIOD FROM 1 APRIL 2023 TO 31 DECEMBER 2023

The sole director present herewith the report and the audited financial statements for the period from 1 April 2023 to 31 December 2023.

PRINCIPAL ACTIVITY

The principal activity of the Company is provision of student exchange arrangement services during the period.

CHANGE OF ACCOUNTING DATE

The company changed its accounting end date from 31 March to 31 December. These financial statements has been prepared covering 9 months from 1 April 2023 to 31 December 2023.

BUSINESS REVIEW

The Company falls within the reporting exemption for the period and is exempted from preparing a business review under Section 388(3)(a) of the Hong Kong Companies Ordinance.

RESULTS AND APPROPRIATIONS

The results of the Company for the period from 1 April 2023 to 31 December 2023 and the state of its affairs at that date are set out in the financial statement on pages 6 to 12.

The Sole Director have declared an interim dividend of EUR126 per ordinary share, totalling EUR1,260,000, which has been paid during the period.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 9 to the financial statements.

DIRECTORS

The names of persons who were the directors of the Company during the period and up to the date of this report were:

Kauppinen Tuomas Kalle

In accordance with the Company's Articles of Association, the remaining director shall retire and, being eligible for re-election.

MANAGEMENT CONTRACTS

No contracts of significance concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the period.

EQUITY-LINKED ARRANGEMENTS

During the financial period, the Company entered into no equity-linked agreement.

At the end of the reporting period, the Company subsisted of no equity-linked agreement.

PERMITTED INDEMNITY PROVISIONS

At no time during the financial period were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company.

ASIABROAD LIMITED
DIRECTOR'S REPORT
FOR THE PERIOD FROM 1 APRIL 2023 TO 31 DECEMBER 2023

AUDITOR

A resolution to reappoint Messrs. Kung Yuet Mei Certified Public Accountant (Practising) as auditor of the Company will be put at the forthcoming annual general meeting.

For and on behalf of the Board



Kauppinen Tuomas Kalle
Sole Director
Hong Kong, 24 APR 2024

Certified Public Accountant (Practising) 執業會計師

Room 1905, 19/F., West Tower, Shun Tak Centre,
168-200 Connaught Road Central, Hong Kong
Tel: 5992 1248

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASIABROAD LIMITED
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)**

Opinion

We have audited the financial statements of Asiabroad Limited (the "Company") set out on pages 6 to 12, which comprise the statement of financial position as at 31 December 2023, the income statement and the statement of changes in equity for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to PN 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

KUNG YUET MEI 龔月薇
Certified Public Accountant (Practising) 執業會計師
Room 1905, 19/F., West Tower, Shun Tak Centre,
168-200 Connaught Road Central, Hong Kong
Tel: 5992 1248

***INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASIABROAD LIMITED
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)
(CONTINUED)***

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

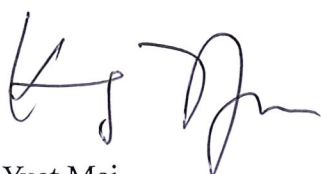
(to be cont'd)

KUNG YUET MEI 龔月薇
Certified Public Accountant (Practising) 執業會計師

Room 1905, 19/F., West Tower, Shun Tak Centre,
168-200 Connaught Road Central, Hong Kong
Tel: 5992 1248

***INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASIABROAD LIMITED
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)
(CONTINUED)***

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



Kung Yuet Mei

Certified Public Accountants (Practising)
Practising Certificate Number: P06956

Hong Kong, 24 APR 2024

ASIABROAD LIMITED
INCOME STATEMENT
FOR THE PERIOD FROM 1 APRIL 2023 TO 31 DECEMBER 2023

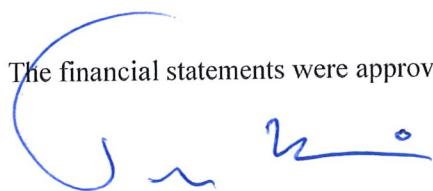
		1.4.2023 to 31.12.2023 EUR	1.4.2022 to 31.3.2023 EUR
	<u>NOTES</u>		
Turnover	4	1,603,062	2,343,612
Cost of services		<u>(624,211)</u>	<u>(747,630)</u>
Gross profit		978,851	1,595,982
Other revenue	4	<u>2,169</u>	<u>6,034</u>
Administrative and other operating expenses			
Accountancy fee		3,704	-
Advertising fee		5,297	-
Auditors' remuneration		1,866	1,891
Bank charges		8,702	3,864
Commission paid		380,800	389,600
Computer supplies		21,073	26,210
Consultancy fee		-	15,000
Director's remuneration		24,961	44,650
Insurance		7,321	10,340
Legal and professional fee		1,742	-
Loss on exchange difference		20,796	9,679
MPF contributions		2,699	4,481
Office supplies		7,121	3,016
Printing and stationery		48	6
Salaries and allowances		217,118	270,903
Scholarship & sponsorship		3,034	1,445
Secretarial fee		-	1,579
Staff messing and welfare		17,779	23,182
Telephone & Internet		140	424
Travelling		9,854	9,438
		<u>(734,055)</u>	<u>(815,708)</u>
Profit before taxation	5	<u>246,965</u>	<u>786,308</u>
Taxation	6	<u>(20,998)</u>	<u>(103,213)</u>
Profit for the period / year		<u><u>225,967</u></u>	<u><u>683,095</u></u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

ASIABROAD LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	<u>NOTES</u>	<u>31.12.2023</u>	<u>31.3.2023</u>
		EUR	EUR
CURRENT ASSETS			
Trade receivables		28,130	36,760
Deposits and prepayment		174	55
Tax repayable		85,515	-
Cash and bank balances		<u>1,505,150</u>	<u>1,182,966</u>
		<u>1,618,969</u>	<u>1,219,781</u>
CURRENT LIABILITIES			
Accruals and other payables		8,039	2,600
Trade deposit received		500,412	5,660
Dividend payable		1,100,000	-
Tax payable		<u>-</u>	<u>166,970</u>
		<u>(1,608,451)</u>	<u>(175,230)</u>
NET ASSETS		<u>10,518</u>	<u>1,044,551</u>
SHARE CAPITAL			
Issued and paid up:-			
10,000 Ordinary shares	9	1,106	1,106
RESERVES			
Retained profits		9,412	1,043,445
TOTAL EQUITY		<u>10,518</u>	<u>1,044,551</u>

The financial statements were approved by the Sole Director on **24 APR 2024** :



Kauppinen Tuomas Kalle
 Director

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

ASIABROAD LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 APRIL 2023 TO 31 DECEMBER 2023

	<u>Note</u>	<u>Share capital</u> EUR	<u>Retained profits</u> EUR	<u>Total</u> EUR
Balances at 1 April 2023		1,106	1,043,445	1,044,551
Profit for the period		-	225,967	225,967
Interim dividend paid	8	-	(1,260,000)	(1,260,000)
Balances at 31 December 2023		<u>1,106</u>	<u>9,412</u>	<u>10,518</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

ASIABROAD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2023 TO 31 DECEMBER 2023

1. REPORTING ENTITY

Asiabroad Limited (the “Company”) is a company incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance. The Company’s registered office is located at 14/F, China Hong Kong Tower, 8 Hennessy Road, Wanchai, Hong Kong.

The financial statements are presented in Euros (“EUR”), which is the same as the functional currency of the Company.

2. PRINCIPAL ACTIVITY

The principal activities of the company is provision of student exchange arrangement services during the period.

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

- (a) The Company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements:

ALTERNATION OF ACCOUNTING REFERENCE DATE

By a director’s resolution passed on 1 October 2023, the sole director resolved to specify 31 December 2023 as the new accounting reference date for the accounting reference period ending on 31 March 2022 in order to align with the financial period end date of the operating affiliate companies under common control in the People’s Republic of China and Finland, the financial statements for the current period cover a nine-month period while the comparative amounts (except for the statement of financial position and related notes) cover a twelve-month period, and therefore, they may not be entirely comparable. Based on this resolution, the accounting reference period of these financial statements begins on 1 April 2023 and ends on 31 December 2023.

ASIABROAD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2023 TO 31 DECEMBER 2023

3. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably. Revenue is measured on the following basis:-

- (i) Service fee income is recognised when the services provided to clients are substantially completed; and
- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(c) Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

(d) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax law) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(e) Foreign exchange

Foreign currency transactions and foreign currency non-monetary items are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Euros using exchange rates applicable at the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(f) Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

(g) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis over the lease term.

(h) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or nonoccurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

ASIABROAD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2023 TO 31 DECEMBER 2023

4. **TURNOVER AND OTHER REVENUE**

	1.4.2023 to 31.12.2023 EUR	1.4.2022 to 31.3.2023 EUR
TURNOVER		
Service income	1,603,062	2,343,612
OTHER REVENUE		
Anit-epidemic fund	-	5,957
Bank interest income	1,642	77
Other income	527	-
	<u>2,169</u>	<u>6,034</u>
TOTAL REVENUE	<u>1,605,231</u>	<u>2,349,646</u>

5. **PROFIT BEFORE TAXATION**

	1.4.2023 to 31.12.2023 EUR	1.4.2022 to 31.3.2023 EUR
Profit before tax is arrived at after charging the following items:		
Key management personnel's remuneration	24,961	44,650
Other staff costs	217,118	270,903
Including: Contributions to the MPF Scheme	2,699	4,481
Auditor's remuneration	1,866	1,891
Net foreign exchange loss	<u>20,796</u>	<u>9,679</u>

6. **DIRECTORS' EMOLUMENTS**

The following information is disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 and 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation as follows:

	1.4.2023 to 31.12.2023 EUR	1.4.2022 to 31.3.2023 EUR
Fees	-	-
Other emoluments	<u>24,961</u>	<u>44,650</u>
	<u>24,961</u>	<u>44,650</u>

ASIABROAD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2023 TO 31 DECEMBER 2023

7. *TAXATION*

Hong Kong profits tax is calculated under the two tiered profits tax regime, with the first HK\$2,000,000 of assessable profits charged at 8.25% and assessable profits thereafter charged at 16.5%.

	1.4.2023 to 31.12.2023 EUR	1.4.2022 to 31.3.2023 EUR
Hong Kong Profits Tax		
Current tax	20,998	103,210
Under-provision in previous year	-	3
Tax charge for the year	<u>20,998</u>	<u>103,213</u>

8. *DIVIDENDS*

	31.12.2023 EUR	31.3.2023 EUR
Interim dividends paid ordinary shares of EUR126 per share	<u>1,260,000</u>	<u>74,539</u>

9. *SHARE CAPITAL*

	31.12.2023 EUR	31.3.2023 EUR
Issued and fully paid: 10,000 Ordinary shares	<u>1,106</u>	<u>1,106</u>

There was no change of share capital during the period.