

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

FORM 10-Q

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

For the quarterly period ended: **June 30, 2023**

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

For the transition period from _____ to _____

WETRADE GROUP INC

(Exact name of small business issuer as specified in its charter)

Wyoming

*(State or other jurisdiction of
incorporation or organization)*

(I.R.S. Tax. I.D. No.)

**No 1 Gaobei South Coast, Yi An Men 111 Block 37, Chao Yang District,
Beijing City, People Republic of China
*(Address of Principal Executive Offices)***

(86) 13795206876

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

| | | | |
|-------------------------|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated Filer | <input type="checkbox"/> | Smaller Reporting Company | <input checked="" type="checkbox"/> |
| Emerging growth company | <input type="checkbox"/> | | |

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

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

As of August 21, 2023, there were 1,054,530 shares of common stock outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”). These forward-looking statements are generally located in the material set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” but may be found in other locations as well. These forward-looking statements are subject to risks and uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. You should not unduly rely on these statements.

We identify forward-looking statements by use of terms such as “may,” “will,” “expect,” “anticipate,” “estimate,” “hope,” “plan,” “believe,” “predict,” “envision,” “intend,” “will,” “continue,” “potential,” “should,” “confident,” “could” and similar words and expressions, although some forward-looking statements may be expressed differently. You should be aware that our actual results could differ materially from those contained in the forward-looking statements.

Forward-looking statements are based on information available at the time the statements are made and involve known and unknown risks, uncertainties and other factors that may cause our results, levels of activity, performance or achievements to be materially different from the information expressed or implied by the forward-looking statements in this report. These factors include, among others:

- our ability to execute on our growth strategies;
- our ability to find manufacturing partners on favorable terms;
- declines in general economic conditions in the markets where we may compete;
- our anticipated needs for working capital; and

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

Forward-looking statements speak only as of the date of this report or the date of any document incorporated by reference in this report. Except to the extent required by applicable law or regulation, we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

**WETRADE GROUP INC
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

| (All amounts shown in U.S. Dollars) | As of June 30, 2023 | As of December 31, 2022 |
|--|------------------------------------|--|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 20,004,914 | \$ 20,025,480 |
| Accounts receivable- non related parties, net | - | 6,174,055 |
| Accounts receivable- related parties, net | - | 549,606 |
| Loan receivables | 7,220,242 | 1,614,841 |
| Other receivables | 59,180 | 47,941 |
| Prepayments | 2,479,485 | 2,413,215 |
| Prepayments- related parties | 977,500 | 1,914,516 |
| Assets related to discontinued operation | - | 1,475,491 |
| Total current assets | 30,741,321 | 34,215,145 |
| Non-current assets: | | |
| Prepayments | 10,000,000 | 10,000,000 |
| Amortised expenses, net | 694,194 | 828,983 |
| Property and equipment, net | 739,028 | 921,952 |
| Intangible asset, net | 18,449 | 22,959 |
| Other receivables | 228,104 | 240,202 |
| Total non-current assets | 11,679,775 | 12,014,096 |
| Total assets: | 42,421,096 | \$ 46,229,241 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Account payables | 134,825 | 143,917 |
| Account payables- related parties | 78,273 | 86,956 |
| Accrued expenses | 262,256 | 298,595 |
| Amount due to related parties | 2,273,503 | 1,291,296 |
| Other payables | 792,674 | 2,455,905 |
| Liabilities related to discontinued operation | - | 233,062 |
| Total current liabilities | 3,541,531 | 4,509,731 |
| Total liabilities | 3,541,531 | 4,509,731 |
| Stockholders' equity: | | |
| Common stock; no par value; 1,054,530 and 195,057,503 issued and outstanding at June 30, 2023 and December 31, 2022 respectively | - | - |
| Additional paid in capital | 43,732,196 | 43,732,196 |
| Accumulated other comprehensive income | (935,527) | (298,576) |
| Accumulated deficits | (3,917,104) | (1,714,110) |
| Total stockholders' equity | 38,879,565 | 41,719,510 |
| Total liabilities and stockholders' equity | \$ 42,421,096 | \$ 46,229,241 |

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

WETRADE GROUP INC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| | For the Three Months Ended June 30, 2023 | For the Three Months Ended June 30, 2022 | For the Six Months Ended June 30, 2023 | For the Six Months Ended June 30, 2022 |
|--|---|---|---|---|
| Revenue: | | | | |
| Service revenue, related party | \$ - | \$ 129,819 | \$ 36,530 | \$ 288,337 |
| Service revenue | - | 1,321,640 | 566,813 | 3,302,074 |
| Total service revenue | - | 1,451,459 | 603,343 | 3,590,411 |
| Cost of revenue | (94,582) | (95,949) | (1,005,089) | (768,587) |
| Gross (Loss)/Profit | (94,582) | 1,355,510 | (401,746) | 2,821,824 |
| Operating expenses | | | | |
| General and administrative expense | \$ 822,220 | \$ 1,827,438 | \$ 1,501,985 | \$ 2,619,894 |
| Total operating expenses | (822,220) | (1,827,438) | (1,501,985) | (2,619,894) |
| (Loss)/ Profit from operations | (916,802) | (471,928) | (1,903,731) | 201,930 |
| Other income | 1,008,391 | 24,658 | 1,010,480 | 72,941 |
| Other expenses | (33,267) | - | (33,267) | - |
| Profit/ (loss) before income taxes | 58,322 | (447,270) | (926,518) | 274,871 |
| Income tax expenses | (32,243) | (4,869) | (32,243) | (134,694) |
| Net Income/(Loss) from continuing operation | \$ 26,079 | \$ (452,139) | \$ (958,761) | \$ 140,177 |
| Discontinued Operations: | | | | |
| Loss from discontinued operation | - | (167,954) | (1,240,305) | (1,482,138) |
| Comprehensive income | | | | |
| Net Income/(Loss) | \$ 26,079 | \$ (620,093) | \$ (2,199,066) | \$ (1,341,961) |
| Other comprehensive income | | | | |
| Foreign currency translation adjustment | (663,272) | (745,699) | (636,951) | (711,109) |
| Total comprehensive loss | \$ (637,193) | (1,365,792) | (2,836,017) | \$ (2,053,070) |
| Loss per share, basic and diluted | \$ (0.00) | \$ (0.00) | (0.00) | \$ (0.00) |
| *Weighted-average shares outstanding, basic and diluted | 149,770,976 | 155,826,842 | 172,526,771 | 231,052,498 |

* Share and per share amounts have been retroactively adjusted to reflect the decreased number of shares resulting from a reverse stock split and issuance of new shares.

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

WETRADE GROUP INC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

Three months ended June 30, 2023

| | Common Stock | | Additional Paid in Capital | Accumulated Deficits | Accumulated Other Comprehensive Income | Total Shareholder Equity |
|---|------------------|-------------|----------------------------------|-------------------------|---|--------------------------------|
| | Shares | Amount | | | | |
| Balance as of March 31, 2023 | 195,057,503 | \$ - | \$ 43,732,196 | \$ (3,943,183) | \$ (272,255) | \$ 39,516,758 |
| Reverse shares split | (194,002,973) | - | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | (663,272) | (663,272) |
| Net profit for the period | - | - | - | \$ 26,079 | - | \$ 26,079 |
| Balance as of June 30, 2023 | 1,054,530 | \$ - | \$ 43,732,196 | \$ (3,917,104) | (935,527) | \$ 38,879,565 |

Six months ended June 30, 2023

| | Common Stock | | Additional Paid in Capital | Accumulated Deficits | Accumulated Other Comprehensive Income | Total Shareholder Equity |
|---|------------------|-------------|----------------------------------|-------------------------|---|--------------------------------|
| | Shares | Amount | | | | |
| Balance as of December 31, 2022 | 195,057,503 | \$ - | \$ 43,732,196 | \$ (1,714,110) | \$ (298,576) | \$ 41,719,510 |
| Reverse shares split | (194,002,973) | - | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | (636,951) | (636,951) |
| Disposition of discontinued operations | - | - | - | (1,240,305) | - | (1,240,305) |
| Net loss from discontinued operation | - | - | - | (3,928) | - | (3,928) |
| Net loss for the period | - | - | - | \$ (958,761) | - | \$ (958,761) |
| Balance as of June 30, 2023 | 1,054,530 | \$ - | \$ 43,732,196 | \$ (3,917,104) | (935,527) | \$ 38,879,565 |

Three months ended June 30, 2022

| | Common Stock | | Additional Paid in Capital | Retained Earnings | Accumulated Other Comprehensive Income | Total Shareholder Equity |
|---|--------------------|-------------|----------------------------------|----------------------|---|--------------------------------|
| | Shares | Amount | | | | |
| Balance as of March 31, 2022 | 305,451,498 | \$ - | \$ 6,197,520 | \$ 6,689,479 | \$ 933,087 | \$ 13,820,086 |
| Share cancellation | (120,418,995) | - | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | (745,699) | (745,699) |
| Disposition of discontinued operation | - | - | - | (167,954) | - | (167,954) |
| Net profit for the period | - | - | - | \$ (452,139) | - | \$ (452,139) |
| Balance as of June 30, 2022 | 185,032,503 | \$ - | \$ 6,197,520 | \$ 6,069,386 | 187,388 | \$ 12,454,294 |

Six months ended June 30, 2022

| | Common Stock | | Additional Paid in Capital | Retained Earnings | Accumulated Other Comprehensive Income | Total Shareholder Equity |
|---|--------------------|-------------|----------------------------------|----------------------|---|--------------------------------|
| | Shares | Amount | | | | |
| Balance as of December 31, 2021 | 305,451,498 | \$ - | \$ 6,197,520 | \$ 7,433,305 | \$ 898,497 | \$ 14,529,322 |
| Share cancellation | (120,418,995) | - | - | - | - | - |
| Foreign currency translation adjustment | - | - | - | - | (711,109) | (711,109) |
| Disposition of discontinued operations | - | - | - | (1,482,138) | - | (1,504,096) |
| Net loss from discontinued operations | - | - | - | (21,958) | - | (21,958) |
| Net profit for the period | - | - | - | \$ 140,177 | - | \$ 140,177 |
| Balance as of June 30, 2022 | 185,032,503 | \$ - | \$ 6,197,520 | \$ 6,069,386 | 187,388 | \$ 12,454,294 |

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

WETRADE GROUP INC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

| | For the Six months Ended June 30, 2023 | For the Six months Ended June 30, 2022 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net (Loss)/ income | \$ (958,761) | \$ 140,177 |
| Loss from discontinued operation | (3,928) | (21,958) |
| Loss from dissolved operation | (1,236,377) | (1,460,180) |
| Amortization of intangible asset | 4,510 | 3,155 |
| Depreciation | 317,713 | 24,952 |
| Changes in operating assets and liabilities: | | |
| Accounts receivables | 6,174,055 | 4,969,602 |
| Account receivable- related parties | 549,606 | 3,177,767 |
| Other receivables | 859 | (99,609) |
| Prepaid expenses | (66,270) | (1,831,269) |
| Prepaid expenses- related parties | 937,016 | 222,783 |
| Account payables | (9,092) | (23,141) |
| Account payable- related parties | (8,683) | 157,281) |
| Accrued expenses | (36,338) | (130,440) |
| Right of use assets | - | 285,100 |
| Lease liabilities | - | (311,320) |
| Tax payables | (173,267) | 118,459 |
| Other payables | (1,491,769) | 122,696 |
| Assets related to discontinued operations | 1,240,305 | - |
| Net cash flows provided by operating activities: | 5,239,579 | 5,344,055 |
| Cash flow from investing activities: | | |
| Loan receivables | (5,605,401) | 611,715 |
| Amortised expenses | - | (648,389) |
| Net cash used in investing activities: | (5,605,401) | (36,674) |
| Cash flow from financing activities: | | |
| Shareholders loan | 982,207 | 230,832 |
| Net cash flows provided by financing activities: | 982,207 | 230,832 |
| Effect of exchange rate changes on cash | (636,951) | (150,042) |
| Change in cash and cash equivalents: | (20,566) | 5,388,171 |
| Cash and cash equivalents, beginning of period | \$ 20,025,480 | \$ 616,594 |
| Cash and cash equivalents, end of period | \$ 20,004,914 | \$ 6,004,765 |
| Supplemental cash flow information: | | |
| Cash paid for interest | \$ - | \$ - |
| Cash paid for taxes | \$ - | \$ - |

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

WETRADE GROUP INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – NATURE OF BUSINESS

Organization

WeTrade Group, Inc was incorporated in the State of Wyoming on March 28, 2019 and is in the business of providing technical services and solutions via its social e-commerce platform. We are committed to providing an international cloud-based intelligence system and independently developed a micro-business cloud intelligence system called the “YCloud.” Our goal is to provide technical and auto-billing management services to micro-business online stores in China through big data analytics, machine learning mechanisms, social network recommendations, and multi-channel data analysis.

We provide technology services to both individual and corporate users. We provide access to “YCloud” to our two customers, Zhuozhou Weijiafu Information Technology Limited (“Weijiafu”), a PRC technology company, and Changtongfu Technology (Hainan) Co Limited (“Changtongfu”), a PRC technology company. Weijiafu provides “YCloud” services to individual and corporate micro-business owners. Changtongfu provides “YCloud” services to individual and corporate business owners in the hotel and travel industries.

The market of individual micro-business owners represents a potential of 330 million users by the end of year of 2023. YCloud serves corporate users in multiple industries, including Yuetao Group, Zhiding, Lvyue, Yuebei, Yuedian, Coke GO, and Zhongyanshangyue. We conduct business operations in mainland China and have established trial operations in Hong Kong. We expect to utilize the YCloud system to establish a global strategic cooperation with various social media platforms.

The main functions of the YCloud system include assisting users in managing its marketing relationships, CPS commission profit management, multi-channel data statistics, AI fission and management, and improving supply chain systems.

Currently, YCloud serves the micro business industries such as tourism, hospitality, livestreaming and short video, medical beauty and traditional retail industries.

Our Business

We have utilized digitalization, electronic management, electronic data exchange, big data analysis, AI fission technology, revenue management and other technologies to build a strong coordination effect. We believe that our cloud technology enables us to develop a highly functional platform for micro-business users in China. In developing YCloud, we have optimized our products using the tools and platforms best suited to serve our customers.

We believe that YCloud is the first global micro-business cloud intelligent internationalization system. It conducts multi-channel data analysis through the learning of big data and social recommendation. It also provides users with AI fission, management systems and supply chain systems to reach a wider range of user groups. YCloud has the following four main functions and competitive advantages:

Multiple integrated payment methods and payment analytics: the YCloud system provides micro-businesses and hotel owners with multiple payment methods such as Alipay, WeChat, and UnionPay. The total order amount is directly entered into the platform to collect funds in separate accounts. Meanwhile, YCloud assigns a bar code to merchandises that purchasers can scan to pay, which allows purchasers to make payments both online and offline.

- Single-scenario payment function: although micro-business owners are provided with a multi-method payment function for their consumers through the YCloud system, micro-business owners only have a single sales channel to display. The revenue of each sale is divided by commissions, and the cost is allocated to suppliers and the handling fee to the YCloud system. The remaining balance goes to micro-business owners.
- Multi-scenario payment function: micro-business owners have multiple sales channels to display and numerous channels to perform revenue sharing and profit consolidation functions. After various products are sold through different channels, the cost are allocated to suppliers and the handling fee are allocated to the YCloud system. The remaining balance will be combined and goes to micro-business owners.

During the year 2020, due to the impact of the COVID-19 outbreak, many companies, including businesses traditionally operating offline, from a wide range of industries, such as tourism, catering, entertainment or retail, have opted for a micro-business model to build sales channels through online social platforms and expand business opportunities. As a result of the COVID-19 outbreak, consumer demand shifted, forcing business owners to expand to new markets and be present on multiple social platforms. Through continuous research on the micro-business industry, combined with understanding of social relationships on social platforms, YCloud develops new technology designed to meet the ever changing demand of micro-business owners across all industries.

Team management: the YCloud system utilizes user marketing relationship tracking and CPS commission revenue management tools.

AI fission and management: using intelligent robots to analyze user behavior, data sharing, purchase history, and other data, YCloud system provides tailored recommendations and displays. For example, YCloud system connects users' behavior across multiple apps and platforms and makes automatic recommendations based on its analysis.

Supply chain system integration: the YCloud system applies cross-platform resource integration technology. The integration allows the multi-channel output of high-quality products and creates a seamless connection between suppliers and customers. The YCloud provides a complete supply chain system integrating supply, sales, finance, and service.

The following diagram sets forth the structure of the Company as of the date of this Quarterly Report:

Our business and corporate address in the United States is 1621 Central Ave, Cheyenne, WY 82001. Our telephone number is +86-13795206876 and our registered agent for service of process is Wyoming Registered Agent, 1621 Central Ave, Cheyenne, WY 82001. Our fiscal year end is December 31. Our Chinese business and corporate address is No. 18, Kechuang 10th Street, Beijing Economic and Technological Development Zone, Beijing, People Republic of China. The Chinese address is where our management is located.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant inter-company transactions and balances have been eliminated in consolidation.

The condensed consolidated financial statements of the Company as of and for the three months ended June 30, 2023 and 2022 are unaudited. In the opinion of management, all adjustments (including normal recurring adjustments) that have been made are necessary to fairly present the financial position of the Company as of June 30, 2023, the results of its operations for the three months ended June 30, 2023 and 2022, and its cash flows for the three months ended June 30, 2023 and 2022. Operating results for the quarterly periods presented are not necessarily indicative of the results to be expected for a full fiscal year.

The statements and related notes have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the financial statements and other information included in the Company’s Annual Report on Form 10-K as filed with the SEC for the fiscal year ended December 31, 2022.

As of June 30, 2023, the details of the consolidating subsidiaries are as follows:

| <i>Name of Company</i> | <i>Place of incorporation</i> | <i>Attributable equity interest %</i> |
|--|-----------------------------------|---|
| Utour Pte Ltd | Singapore | 100% |
| WeTrade Information Technology Limited (“WITL”) | Hong Kong | 100% |
| Yueshang Information Technology (Beijing) Co., Ltd. (“YITB”) | P.R.C. | 100% |
| WeTrade Digital Technology (Beijing) Co Limited | P.R.C | 100% |
| Yueshang Technology Group (Zhuhai Hengqin) Limited | P.R.C | 100% |
| Tibet Xiaoshang Technology Co Limited (“Tibet Xiaoshang”) | P.R.C | 100% |
| Shanghai Yueshang Information Technology Limited | P.R.C | 100% |

Nature of Operations

WeTrade Group Inc. (the “Company” or “We’ or “Us”) is a Wyoming corporation incorporated on March 28, 2019. The Company is an investment holding company that formed as a Wyoming corporation to use as a vehicle for raising equity outside the US.

As of June 30, 2023, the nature operation of its subsidiaries are as follows:

| <i>Name of Company</i> | <i>Place of incorporation</i> | <i>Nature of operation</i> |
|--|--------------------------------------|---|
| Utour Pte Ltd | Singapore | Investment holding company |
| WeTrade Information Technology Limited (“WITL”) | Hong Kong | Investment holding company |
| Yueshang Information Technology (Beijing) Co., Ltd. (“YITB”) | P.R.C. | Providing of social e-commerce services, technical system support and services |
| WeTrade Digital Technology (“Beijing”) Co Limited | P.R.C | Providing of social e-commerce services, technical system support and services |
| Yueshang Technology Group (Zhuhai Hengqin) Limited | P.R.C | Providing of social e-commerce services, technical system support and services |
| Tibet Xiaoshang Technology Co Limited (“Tibet Xiaoshang”) | P.R.C | Providing of social e-commerce services, technical system support and services. |
| Shanghai Yueshang Information Technology Limited | P.R.C | Providing of social e-commerce services, technical system support and services. |

Revenue recognition

The Company follows the guidance of Accounting Standards Codification (ASC) 606, *Revenue from Contracts*. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contracts, which includes (1) identifying the contracts or agreements with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the services it transfers to its clients.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity period of three months or less to be cash or cash equivalents. The carrying amounts reported in the accompanying unaudited condensed consolidated balance sheets for cash and cash equivalents approximate their fair value. All of the Company's cash that is held in bank accounts in Singapore, Hong Kong and PRC are not protected by Federal Deposit Insurance Corporation ("FDIC") insurance.

Foreign Currency

The Company's principal country of operations is the PRC. The accompanying condensed consolidated financial statements are presented in US\$. The functional currency of the Company is US\$, and the functional currency of the Company's subsidiaries is RMB. The condensed consolidated financial statements are translated into US\$ from RMB at year-end exchange rates as to assets and liabilities and average exchange rates as to revenues and expenses. Capital accounts are translated at their historical exchange rates when the capital transactions occurred. The resulting translation adjustments are recorded as a component of shareholders' equity included in other comprehensive income. Gains and losses from foreign currency transactions are included in profit or loss. There were no gains and losses from foreign currency transactions from the inception to June 30, 2023.

| | June 30, 2023 | December 31, 2022 |
|-------------------------|--------------------------|------------------------------|
| RMB: US\$ exchange rate | 7.25 | 6.90 |

The balance sheet amounts, with the exception of equity, June 30, 2023 and December 31, 2022 were translated at 7.25 RMB and 6.9 RMB to US\$1.00, respectively. The equity accounts were stated at their historical rates. The average translation rates applied to statements of operations and comprehensive income accounts for the period ended June 30, 2023 and year ended December 31, 2022 were 6.97 RMB and 6.75 RMB to US\$1.00, respectively. Cash flows were also translated at average translation rates for the year and, therefore, amounts reported on the statement of cash flows would not necessarily agree with changes in the corresponding balances on the condensed consolidated balance sheet. The transactions dominated in SGD are immaterial.

Consolidation

The Company's condensed consolidated financial statements include the financial statements of the Group and subsidiaries. All transactions and balances among the Group and its subsidiaries have been eliminated upon consolidation.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make judgement estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Management believes that the estimates used in preparing the financial statements are reasonable and prudent; however, actual results could differ from these estimates. Significant accounting estimates include the allowance for doubtful accounts, useful lives of intangible asset, valuation of deferred tax assets, and certain accrued liabilities such as contingent liabilities.

Property and Equipment, Net

Property and equipment are stated at the historical cost less accumulated depreciation. Depreciation on property and equipment is provided using the straight-line method over the estimated useful lives of the assets for both financial and income tax reporting purposes as follows:

| | |
|------------------------|---------|
| Office equipment | 3 years |
| Leasehold improvements | 5 years |

Upon sale or disposal of an asset, the historical cost and related accumulated depreciation or amortization of such asset were removed from their respective accounts and any gain or loss is recorded in the statements of income.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition and other economic factors. Based on this assessment, no impairment expenses for property and equipment were recorded in operating expenses during the six months ended June 30, 2023 and 2022.

Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and equivalents and accounts receivable. Cash on hand amounted to \$20,004,914 and accounts receivable is \$nil as of June 30, 2023.

Accounts Receivable

Accounts receivables are presented net of allowance for doubtful accounts. The Company uses specific identification in providing for bad debts when facts and circumstances indicate that collection is doubtful and based on factors listed in the following paragraph. If the financial conditions of its customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

The Company maintains an allowance for doubtful accounts which reflects its best estimate of amounts that potentially will not be collected. The Company determines the allowance for doubtful accounts on general basis taking into consideration various factors including but not limited to historical collection experience and credit-worthiness of the customers as well as the age of the individual receivables balance. Additionally, the Company makes specific bad debt provisions based on any specific knowledge the Company has acquired that might indicate that an account is uncollectible. The facts and circumstances of each account may require the Company to use substantial judgment in assessing its collectability.

Intangible Asset, Net

Intangible asset is software development cost incurred by the Company and it will be amortized on a straight line basis over the estimated useful life of 5 years.

Leases

The Company adopted Accounting Standards Update No. 2016-02, Leases (Topic 842) (ASU 2016-02), and generally requires lessees to recognize operating and financing lease liabilities and corresponding right-of-use (ROU) assets on the balance sheet and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements.

Operating leases are included in operating lease right-of-use (“ROU”) assets and short-term and long-term lease liabilities in our condensed consolidated balance sheets. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our condensed consolidated balance sheets.

ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, we use the industry incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when readily determinable. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

ASU 2016-02 requires that public companies use a secured incremental borrowing rate for the present value of lease payments when the rate implicit in the contract is not readily determinable. We determine a secured rate on a quarterly basis and update the weighted average discount rate accordingly.

Software Development Costs

We apply ASC 985-20, Software—Costs of Software to Be Sold, Leased, or Marketed, in analyzing our software development costs. ASC 985-20 requires the capitalization of certain software development costs subsequent to the establishment of technological feasibility for a software product in development. Research and development costs associated with establishing technological feasibility are expensed as incurred. Based on our software development process, technological feasibility is established upon the completion of a working model. In addition, we apply this to our review of development projects related to software used exclusively for our SaaS subscription offerings. In these reviews, all costs incurred during the preliminary project stages are expensed as incurred. Once the projects have been committed to and it is probable that the projects will meet functional requirements, costs are capitalized.

Income Tax

Income taxes are determined in accordance with the provisions of ASC Topic 740, "Income Taxes" ("ASC Topic 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.

The Company has subsidiaries in Singapore and PRC. The Company is subject to tax in Singapore and PRC jurisdictions. As a result of its future business activities, the Company will be required to file tax returns that are subject to examination by the Inland Revenue Authority of Singapore and Tax Department of PRC.

Loss Per Share

Basic net income per share of common stock attributable to common stockholders is calculated by dividing net income attributable to common stockholders by the weighted-average shares of common stock outstanding for the period. Potentially dilutive shares, which are based on the weighted-average shares of common stock underlying outstanding stock-based awards, warrants, options, or convertible debt using the treasury stock method or the if-converted method, as applicable, are included when calculating diluted net income (loss) per share of common stock attributable to common stockholders when their effect is dilutive.

Potential dilutive securities are excluded from the calculation of diluted EPS in profit periods as their effect would be anti-dilutive.

As of June 30, 2023, there were no potentially dilutive shares.

| | For the period June 30, 2023 | For the period June 30, 2022 |
|--|---|---|
| Statement of Operations Summary Information: | | |
| Net (Loss)/ Profit | \$ (958,761) | \$ 140,177 |
| Weighted-average common shares outstanding - basic and diluted | 172,526,771 | 231,052,498 |
| Net (Loss)/ Profit per share, basic and diluted | \$ (0.00) | \$ 0.00 |

Fair Value Measurements

The Company follows guidance for accounting for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Additionally, the Company adopted guidance for fair value measurement related to non-financial items that are recognized and disclosed at fair value in the financial statements on a non-recurring basis. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. The carrying amounts of financial assets such as cash approximate their fair values because of the short maturity of these instruments.

NOTE 3 – RECENT ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company’s present or future financial statements.

NOTE 4 – REVENUE

We are in the business of providing an international cloud-based intelligence system, namely “YCloud” system. We aim to provide technical and auto-billing management system services to micro-business online stores in China through big data analytics, machine learning mechanisms, social network recommendations, and multi-channel data analysis. Weijiafu and Changtongfu are our customers to take charge of the Ycloud users’ profiles. Meanwhile, all YCloud users’ information is retained within YCloud system.

We derive our revenue from system service fees charged for transactions conducted through YCloud. We receive 2%-3.5% of the total Gross Merchandise Volume generated in the platform as a system service fee from YCloud users through service agreement with our customers (such as Weijiafu, Changtongfu, Beijing Yidong, Maitu International and Beijing Youth), depending on the type of service and industry. Gross Merchandise Volume, or GMV, is a term used in online retailing to indicate a total sale monetary-value for merchandise sold through a particular marketplace over a certain time frame. We generally receive the system service fee from customers within the first ten days of each calendar month. As of reporting date, all the service fee receivable has been fully settled and received.

The system services fees are collected from five customers of YCloud system based on the GMV as follows:

| Gross Merchandise Volume (“GMV”) | June 30, 2023 US\$ | June 30, 2022 US\$ |
|---|-----------------------------------|-----------------------------------|
| Non-related parties: | | |
| Customer I | 3,755,738 | 53,496,041 |
| Customer II | 4,962,341 | 20,811,155 |
| Customer III | 4,490,593 | 14,094,841 |
| Customer IV | 3,957,649 | 19,312,009 |
| | <u>17,166,321</u> | <u>107,714,046</u> |
| Related party: | | |
| Customer V | 1,106,347 | 8,732,504 |
| Total GMV: | <u>18,272,668</u> | <u>116,466,550</u> |

As of and for the period ended June 30, 2023, we generated revenues from customers amounting \$603,343.

NOTE 5 – CASH AND CASH EQUIVALENTS

As of June 30, 2023, the Company held cash in bank in the amount of \$20,004,914, which consist of the following:

| | June 30, 2023 | December 31, 2022 |
|----------------------------|--------------------------|------------------------------|
| Bank Deposits-USA | \$ 3,250 | 22,926 |
| Bank Deposits- Outside USA | 20,001,664 | 20,002,554 |
| | <u>20,004,914</u> | <u>20,025,480</u> |

NOTE 6 – INTANGIBLE ASSET, NET

Intangible asset is software development cost incurred by Company, it will be amortized on a straight line basis over the estimated useful life of 5 years as follow:

| | June 30, 2023 | | | |
|---|--------------------------------------|-------------------------------------|------------------------------------|--------------------------------|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Useful Life (Years) |
| Intangible assets: | | | | |
| Software development | \$ 57,143 | \$ (41,086) | \$ 16,057 | 5 |
| Foreign currency translation adjustment | - | - | 2,392 | |
| Intangible assets, net | <u>\$ 57,143</u> | <u>\$ (41,086)</u> | <u>\$ 18,449</u> | |

| | December 31, 2022 | | | |
|---|--------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Useful Life (Years) |
| Intangible assets: | | | | |
| Software development | \$ 57,143 | \$ (36,576) | \$ 20,567 | 5 |
| Foreign currency translation adjustment | - | - | 2,392 | |
| Intangible assets, net | <u>\$ 57,143</u> | <u>\$ (36,576)</u> | <u>\$ 22,959</u> | |

Amortization expense for intangible assets was \$4,510 for the six months period ended June 30, 2023.

Expected future intangible asset amortization as of June 30, 2023 was as follows:

| Fiscal years: | | |
|----------------------|--|----------|
| Remaining 2023 | | \$ 2,871 |
| 2024 | | 15,578 |

NOTE 7 – PROPERTY AND EQUIPMENT, NET

As of June 30, 2023, property and equipment consists of the following:

| | June 30, 2023 | December 31, 2022 |
|------------------------------------|--------------------------|------------------------------|
| Property and equipment: | | |
| Office equipment | \$ 724,433 | \$ 724,433 |
| Leasehold improvement | 246,643 | 246,643 |
| Subtotal | 971,076 | 971,076 |
| Less: Accumulated depreciation | (232,048) | (49,124) |
| Property and equipment, net | \$ 739,028 | \$ 921,952 |

Depreciation expenses of office equipment were \$182,924 and \$24,952 for the period ended June 30, 2023 and 2022.

| | June 30, 2023 | December 31, 2022 |
|--------------------------------|--------------------------|------------------------------|
| Amortised expenses | 995,775 | 995,775 |
| Less: Accumulated amortization | (301,581) | (166,792) |
| Amortised expenses, net | \$ 694,194 | \$ 828,983 |

Amortization expenses are related to the office renovation. Amortisation expenses were \$134,789 for the period ended June 30, 2023 and \$3,546 for the period ended June 30, 2022.

NOTE 8 – ACCOUNT RECEIVABLES, NET

As of June 30, 2023, accounts receivable are related to the services fee receivables from customers as follow:

| | June 30, 2023 | December 31, 2022 |
|--|--------------------------|------------------------------|
| Accounts Receivable- Non related parties | \$ - | \$ 6,174,055 |
| Accounts Receivable- Related parties | - | 549,606 |
| | \$ - | \$ 6,723,661 |

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of accounts receivable. The Company does not require collateral for accounts receivable. The Company maintains an allowance for its doubtful accounts receivable due to estimated credit losses. The Company records the allowance against bad debt expense through the condensed consolidated statements of operations, included in general and administrative expense, up to the amount of revenues recognized to date. Receivables are written off and charged against the recorded allowance when the Company has exhausted collection efforts without success. As of June 30, 2023, accounts receivable from five main customers have been fully settled.

NOTE 9 – PREPAYMENTS

As of June 30, 2023, prepayments consist of the following:

| | June 30, 2023 | December 31, 2022 |
|---------------------------------------|--------------------------|------------------------------|
| Software development fee- Current | \$ 1,926,838 | \$ 1,860,568 |
| Software development fee- Non current | 10,000,000 | 10,000,000 |
| Block chain software and annual fee | 552,647 | 552,647 |
| | <u>\$ 12,479,485</u> | <u>\$ 12,413,215</u> |

As of June 30, 2023, software development fee-current are mainly related to the prepayment of Y-cloud system development and system iteration of \$1,926,838, which expect to be completed by September 2023.

As of June 30, 2023, software development fee-non-current are mainly related to the WT Pay system development prepayment of \$10 million, which expect to be completed by September 2023.

As of June 30, 2023 and December 31, 2022, prepayments- related parties consist of the following:

| | June 30, 2023 | December 31, 2022 |
|-----------------------------------|--------------------------|------------------------------|
| Software development fee- Current | \$ 977,500 | \$ 1,914,516 |

As of June 30, 2023, the prepayment- related parties are mainly related to the Y-cloud system upgrade, which is expected to be completed by September 2023.

NOTE 10 – LOAN RECEIVABLES

As of June 30, 2023, loan receivables consist of the following:

| | June 30, 2023 | December 31, 2022 |
|------------------|--------------------------|------------------------------|
| Loan receivables | \$ 7,220,242 | \$ 1,614,841 |

The accrued interest and principal amount of the loan for the year ended June 30, 2023 and December 31, 2022 are as follow:

| | June 30, 2023 | December 31, 2022 |
|------------------|--------------------------|------------------------------|
| Borrower I | \$ 289,208 | \$ 1,614,841 |
| Borrower II | 6,931,034 | - |
| | 7,220,242 | 1,614,841 |
| Accrued interest | - | - |
| | <u>\$ 7,220,242</u> | <u>\$ 1,614,841</u> |

The Company has waived the interest to the borrower I and the interest from borrower II will be commenced from July 1, 2023, therefore no interest was accrued during the period.

NOTE 11 – OTHER RECEIVABLES

As of June 30, 2023, other receivables-current consists of staff advances and petty cash as follow:

| | June 30, 2023 | December 31, 2022 |
|-------------------|--------------------------|------------------------------|
| Advances to staff | 59,180 | 47,941 |

As of June 30, 2023 other receivables non-current consists of office rental deposit as follow:

| | June 30, 2023 | December 31, 2022 |
|----------------|--------------------------|------------------------------|
| Rental deposit | 228,104 | 240,202 |

NOTE 12 – AMOUNT DUE TO RELATED PARTIES

| | June 30, 2023 | December 31, 2022 |
|-------------------------|--------------------------|------------------------------|
| Related parties payable | \$ 1,419,503 | \$ 521,296 |
| Director fee payable | 854,000 | 770,000 |
| | \$ 2,273,503 | \$ 1,291,296 |

The related party balance of \$1,419,503 represented advances and professional expenses paid on behalf by Shareholders, which consists of \$427,731 advance from Dai Zheng, \$42,000 advance from Li Zhuo, \$760,537 from Che Kean Tat and \$189,235 office rental advance from Liu Pijun through Zhiding Network Technology (Beijing) Co Limited (“ZNTB”). It is unsecured, interest-free with no fixed payment term and imputed interest is considered to be immaterial.

As of June 30, 2023, the director fee payable of \$854,000 represented the accrual of director fees from the appointment date to June 30, 2023.

NOTE 13 – ACCRUED EXPENSES

As of June 30, 2023, accrued expenses consists of the accrued payroll, Central Provident Fund and social welfare as follow:

| | June 30, 2023 | December 31, 2022 |
|-----------------|--------------------------|------------------------------|
| Accrued payroll | \$ 262,256 | \$ 298,595 |

NOTE 14 – OTHER PAYABLES

As of June 30, 2023, other payables consists of the payables of tax payable, securities account set up fee and related documentation expenses as follow:

| | June 30, 2023 | December 31, 2022 |
|---|--------------------------|------------------------------|
| Tax (receivable)/ payables | (42,549) | 130,717 |
| Y-Cloud System upgrade and iteration payables | \$ 349,088 | \$ 1,839,053 |
| Security account set up fee-Staff | 486,135 | 486,135 |
| | <u>\$ 792,674</u> | <u>\$ 2,455,905</u> |

NOTE 15 – DISCONTINUED OPERATIONS

On January 16, 2023, the Company’s Board of Directors passed a resolution to dissolve the operation of Yueshang Group Network (Hunan) Co., Limited (“Yueshang Hunan”), resulting in a loss on disposal of \$3,928. Loss from discontinued operations for the period ended June 30, 2023 and 2022 was as follows:

| | Six Months ended June 30 2023 | Six Months ended June 30 2022 |
|--|--|--|
| Revenue: | | |
| Service revenue | \$ - | \$ 254,522 |
| Cost of revenue | (3) | (111,252) |
| Gross loss | <u>(3)</u> | <u>143,270</u> |
| Operating expenses: | | |
| General and Administrative | 3,925 | (165,228) |
| Operations Loss | <u>(3,928)</u> | <u>-</u> |
| Other (expenses)/ revenue | - | - |
| Loss from discontinued operations before income tax | <u>(3,928)</u> | <u>(21,958)</u> |
| Income tax expense | - | - |
| Loss from discontinued operation after tax | (3,928) | (21,958) |
| Loss on disposal of discontinued operation | (1,236,377) | (1,460,180) |
| LOSS FROM DISCONTINUED OPERATION | <u>\$ (1,240,305)</u> | <u>\$ (1,482,138)</u> |

The major components of assets and liabilities related to discontinued operations are summarized below:

| | June 30, 2023 | December 31, 2022 |
|---|--------------------------|------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 10 | \$ 13 |
| Accounts receivables | 655,088 | 654,139 |
| Prepayments | 748,802 | 747,717 |
| Property and equipment, net | 66,673 | 70,493 |
| Intangible asset | 227 | 230 |
| Other receivables | 2,905 | 2,899 |
| Total assets related to discontinued operations | 1,473,705 | 1,475,491 |
| Account payables | \$ 194,462 | 194,179 |
| Other payables | 38,938 | 38,881 |
| Total liabilities related to discontinued operations | 233,400 | 233,060 |

NOTE 16 – SHAREHOLDERS’ EQUITY

The Company has an unlimited number of ordinary shares authorized, and has issued 195,057,503 shares with no par value as of December 31, 2022.

On March 29, 2019, the Company has issued 100,000,000 shares with no par value to thirty-three founders. On September 3, 2019, the Company has issued a total 74,000 shares at \$3 each to 5 non-US shareholders. The total outstanding shares has increased to 100,074,000 shares as of December 31, 2019.

In February 2020, there are 1,666,666 shares were issued at \$3 per share to 2 new shareholders. On July 10, 2020, the Company issued another 26,000 shares at \$3 per share to 2 new shareholders and the total outstanding shares has increased to 101,766,666 shares.

On September 15, 2020, the Wyoming Secretary of State approved the Company’s certificate of amendment to amend its Articles of Incorporation to effect 3 for 1 forward stock split. The total issued and outstanding shares of the Company’s common stock has been increased from 101,766,666 to 305,299,998 shares, with the par value unchanged at zero.

On September 21, 2020, there are 151,500 shares issued at \$5 per share to 303 new shareholders, the Company’s common stock issued has been increased to 305,451,498 shares as of December 31, 2020.

On April 13, 2022, the Company and 15 shareholders entered into that certain Share Exchange Agreement (the “Share Exchange Agreement”), pursuant to which Company and the 15 Shareholders have cancelled 120,418,995 shares of Common Stock (“Cancellation Shares”). Upon completion of the transaction, the outstanding shares of the Company’s Common Stock has been decreased from 305,451,498 shares to 185,032,503 shares as of June 30, 2022.

On July 21, 2022, the Company completed uplisting of its common stock to the Nasdaq Capital Market, and the closing of its public offering of 10,000,000 shares of common stock with the gross proceeds of \$40,000,000 and net proceeds of \$37,057,176 after deducting the total offering cost of \$2,942,824. The shares were priced at \$4.00 per share, and the offering was conducted on a firm commitment basis. The shares continue to trade under the stock symbol “WETG.” The Company’s total issued and outstanding common stock has been increased to 195,032,503 shares after the offering.

On July 22, 2022, the Company issued 25,000 shares of common stock to certain service providers for services in connection with the public offering, the fair value of the share was \$477,500. The Company's total issued and outstanding common stock has been increased to 195,057,503 shares in 2022.

On June 9, 2023, the Wyoming Secretary of State approved the Company's certificate of amendment to amend its Articles of Incorporation to effect 1 for 185 reverse stock split ("Reverse Stock Split"). The total issued and outstanding shares of the Company's common stock decreased from 195,057,503 to 1,054,530 shares, with the par value unchanged at zero.

NOTE 17 – INCOME TAXES

The Company is subject to U.S. Federal tax laws. The Company has not recognized an income tax benefit for its operating losses in the United States because the Company does not expect to commence active operations in the United States.

UTour Pte Ltd ("UTour") was incorporated in Singapore and is subject to Singapore profits tax at a tax rate of 17%. Since UTour had no taxable income during the reporting period, it has not paid Singapore profits taxes. UTour has not recognized an income tax benefit for its operating losses in Singapore because it does not expect to commence active operations in Singapore.

WeTrade Information Technology Limited ("WITL") was incorporated in Hong Kong and is subject to Hong Kong profits tax at a tax rate of 16.5%. Since WITL had no taxable income during the reporting period, it has not paid Hong Kong profits taxes. WITL has not recognized an income tax benefit for its operating losses in Hong Kong because the Company does not expect to commence active operations in Hong Kong.

The Company is currently conducting its major operations in the PRC through Yueshang Information Technology (Beijing) Co., Ltd., Yushang Group (Hunan) Network Technology Limited, Yueshang Technology Group (Hainan) Limited and Tibet Xiaoshang Technology Group Limited, which are subject to tax from 15% to 25%.

NOTE 18- SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 Subsequent Events, the Company has analyzed its operations subsequent to June 30, 2023, to the date these unaudited condensed consolidated financial statements were issued and has determined that it does not have any material subsequent events to disclose in these consolidated financial statements.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our financial statements and related notes included elsewhere in this report. This discussion contains forward-looking statements that involve risks, uncertainties and assumptions. See “Cautionary Note Regarding Forward-Looking Statements.” Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors discussed elsewhere in this report.

Overview

WeTrade Group, Inc was incorporated in the State of Wyoming on March 28, 2019 and is in the business of providing technical services and solutions via its social e-commerce platform. We are committed to providing an international cloud-based intelligence system and independently developed a micro-business cloud intelligence system called the “YCloud”, which provide technical and auto-billing management services to micro-business online stores in China through big data analytics, machine learning mechanisms, social network recommendations, and multi-channel data analysis. Furthermore, we intend to expand our business in online payment systems and block-chain services in 2023.

The market of individual micro-business owners represents a potential of 330 million users by the end of year of 2023. YCloud serves corporate users in multiple industries, including Yuetao Group, Zhiding, Lvyue, Yuebei, Yuedian, Coke GO, and Zhongyanshangyue. We conduct business operations in mainland China and have established trial operations in Hong Kong. We expect to utilize the YCloud system to establish a global strategic cooperation with various social media platforms.

The main functions of the YCloud system are to manage users’ marketing relationships, CPS commission profit management, multi-channel data statistics, AI fission and management, and improved supply chain systems.

Currently, YCloud serves the micro business industry. We have expanded the application of YCloud to tourism, hospitality, livestreaming and short video, medical beauty and traditional retail industries.

Results of Operations

Results of Operations for the Six months period Ended June 30, 2023 and 2022

The following tables provide a comparison of a summary of our results of operations for the six months period ended June 30, 2023 and 2022.

| | For the period June 30, 2023 | From the period June 30, 2022 |
|---|---|--|
| Revenue: | | |
| Service revenue- related parties | \$ 36,530 | \$ 288,337 |
| Service revenue- non related parties | 566,813 | 3,302,074 |
| | 603,343 | 3,590,411 |
| Cost of Revenue | (1,005,089) | (768,587) |
| Gross (Loss)/ Profit | (401,746) | 2,821,824 |
| Operating Expenses: | | |
| General and Administrative | (1,501,985) | (2,619,894) |
| Operation (Loss) /Profit | (1,903,731) | 201,930 |
| Other (expenses) /income | 977,213 | 72,941 |
| Net (Loss) /Profit before income tax | (926,518) | 274,871 |
| Income tax expense | (32,243) | (134,694) |
| Net (Loss)/ Profit | (958,761) | 140,177 |

Revenue from Operations

For the six-month period ended June 30, 2023 and 2022, total revenue was \$603,343 and \$3,590,411 respectively, the decrease was mainly due to the decrease in Gross Merchandise Volume (“GMV”) in YCloud system as a result of the adjusting of Company business plan in 2023. The Company intend to shift its SAAS, block-chain and WT Pay services from PRC to overseas market. As of June 30, 2023 and 2022, service revenue from third party were \$566,813 (2022: \$3,302,074) and service revenue from related party were \$36,530 (2022: \$288,337).

Cost of revenue

Cost of revenue mainly consists of staff payroll, PRC central provident fund (“CPF”), staff benefits and YCloud system related expenses, the increase is mainly due to the fact that more expenses were incurred for the system development and system iteration costs during the period.

General and Administrative Expenses

For the six months period ended June 30, 2023 and 2022, general and administrative expenses were \$1,505,985 and \$2,619,894 respectively. The decrease is mainly due to decrease in advertising and promotion expenses during the period.

Net (Loss)/ Income

As a result of the factors described above, there was a net loss of \$958,761 and net income of \$140,177 for the period ended June 30, 2023 and 2022, respectively. The increase in net loss is mainly due to decrease in Gross Merchandise Volume (“GMV”) as a result of the adjusting of Company business plan in 2023. The Company is intend to shift its SAAS, block-chain and WT Pay services from PRC to overseas market.

Results of Operations for the three months period Ended June 30, 2023 and 2022

The following tables provide a comparison of a summary of our results of operations for the three months period ended June 30, 2023 and 2022.

| | For the period June 30, 2023 | From the period June 30, 2022 |
|---|---|--|
| Revenue: | | |
| Service revenue- related parties | \$ - | \$ 129,819 |
| Service revenue- non related parties | - | 1,321,640 |
| | - | 1,451,459 |
| Cost of Revenue | (94,582) | (95,949) |
| Gross (Loss)/ Profit | (94,582) | 1,355,510 |
| Operating Expenses: | | |
| General and Administrative | (822,220) | (1,827,438) |
| Operation Loss | (916,802) | (471,928) |
| Other income | 975,124 | 24,658 |
| Net Profit/ (Loss) before income tax | 58,322 | (447,270) |
| Income tax expense | (32,243) | (4,869) |
| Net Income/ (Loss) | 26,079 | (452,139) |

Revenue from Operations

For the three-month period ended June 30, 2023 and 2022, total revenue was \$nil and \$1,451,459 respectively, the decrease was mainly due to the Company has changed its business strategy and intends to shift its SAAS, block-chain and WT Pay services from PRC to overseas market.

Cost of revenue

Cost of revenue mainly consists of staff payroll, PRC central provident fund (“CPF”), staff benefits and YCloud system related expenses, there is not material movement in cost of revenue during the period.

General and Administrative Expenses

For the three months period ended June 30, 2023 and 2022, general and administrative expenses were \$826,145 and \$1,827,438 respectively, the decrease is mainly due to decrease in advertising and promotion expenses during the period.

Net Income/ (Loss)

As a result of the factors described above, there was a net income of \$26,079 and net loss of \$452,139 for the period ended June 30, 2023 and 2022, respectively, the increase in net income is mainly due to bad debt recovered from third party during the period.

Liquidity and Capital Resources

As of June 30, 2023, we had cash on hand of \$20,004,914. The increase is mainly due to the fact that the Company has uplisted its common stock to the Nasdaq Capital Market with the public offering of 10,000,000 shares of common stock with the net proceeds of \$37,057,176 after deducting the total offering cost of \$2,942,824 in July 2022. The increase is partially mitigated by the payment of system development fee.

Operating activities

As of June 30, 2023, our cash flow provided by operating activities is \$5,239,579 for the period ended June 30, 2023 as compared to the cash flow provided by operating activities of \$5,344,055 in prior period, which decreased by approximately of \$0.1 million. The decrease was mainly due to decrease in revenue and decrease in Y-cloud SAAS services fee received from the customers during the period.

Investing activities

As of June 30, 2023, cash used in investing activities is \$5,605,401 for the period ended June 30, 2023 as compared to the cash flow used in investing activities of \$36,674 in prior period. The increase was mainly due to addition of loan to third party of \$5.6 million during the period.

Financing activities

Cash provided by our financing activities was 982,207 for the period ended June 30, 2023 as compared to cash provided by financing activities of \$230,832. The increase is mainly due to addition advances from shareholders during the period.

Inflation

Inflation does not materially affect our business or the results of our operations.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies

We prepare our financial statements in accordance with generally accepted accounting principles of the United States (“GAAP”). GAAP represents a comprehensive set of accounting and disclosure rules and requirements. The preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Our actual results could differ from those estimates. We use historical data to assist in the forecast of our future results. Deviations from our projections are addressed when our financials are reviewed on a monthly basis. This allows us to be proactive in our approach to managing our business. It also allows us to rely on proven data rather than having to make assumptions regarding our estimates.

Recent Accounting Pronouncements

We have reviewed all the recently issued, but not yet effective, accounting pronouncements and we do not believe any of these pronouncements will have a material impact on the Company financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a “smaller reporting company” as defined by Item 10(f)(1) of Regulation S-K, and as such are not required to provide the information contained in this item pursuant to Item 305 of Regulation S-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures.

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is a process designed under the supervision of the Company’s Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

With respect to the period ended June 30, 2023, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934.

Based upon our evaluation regarding the period ended June 30, 2023, the Company’s management, including its Principal Executive Officer, has concluded that its disclosure controls and procedures were not effective due to the Company’s limited internal resources and lack of ability to have multiple levels of transaction review. Material weaknesses noted are lack of an audit committee, lack of a majority of outside directors on the board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; and management is dominated by two individuals, without adequate compensating controls. However, management believes the financial statements and other information presented herewith are materially correct.

Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2023. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control - Integrated Framework - Guidance for Smaller Public Companies (the COSO criteria). Based on our assessment, management identified material weaknesses related to: (i) our internal audit functions; (ii) a lack of segregation of duties within accounting functions; and the lack of multiple levels of review of our accounting data. Based on this evaluation, our management concluded that as of June 30, 2023, we did not maintain effective internal control over financial reporting.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with any policies and procedures may deteriorate. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. To the extent possible, we will implement procedures to assure that the initiation of transactions, the custody of assets and the recording of transactions will be performed by separate individuals. With proper funding we plan on remediating the significant deficiencies identified above, and we will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate.

A material weakness is a control deficiency (within the meaning of Public Company Accounting Oversight Board Auditing Standard No. 5) or combination of control deficiencies, that results in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that has materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

We are a “smaller reporting company” as defined by Item 10(f)(1) of Regulation S-K, and as such are not required to provide the information contained in this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

No senior securities were issued and outstanding during the six months ended June 30, 2023.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable to our Company.

ITEM 5. OTHER INFORMATION

On June 9, 2023, the Wyoming Secretary of State approved the Company’s certificate of amendment to amend its Articles of Incorporation to effect 1 for 185 Reverse Stock Split. The total issued and outstanding shares of the Company’s common stock decreased from 195,057,503 to 1,054,364 shares, with the par value unchanged at zero.

The Reverse Stock Split is intended to more expediently enable the Company to regain compliance to achieve a minimum bid price of \$1.00 per share for continued listing on Nasdaq, as set forth in Nasdaq Listing Rule 5550(a)(2) (the “Minimum Bid Requirement”). As a result of the Reverse Stock Split, every one-for-one hundred and eighty-five (185) shares of the Company’s Common Stock then issued and outstanding will automatically, and without any action of the Company or any holder thereof, be combined, converted, and changed into one (1) validly issued and non-assessable share of Common Stock. No fractional shares will be issued to any shareholder, and in lieu of issuing any such fractional shares, the fractional shares resulting from the Reverse Stock Split will be rounded up to the nearest whole share of Common Stock.

ITEM 6. EXHIBITS

| Exhibit No. | Description |
|--------------------|---|
| 31.1 | Certification of Principal Executive Officer filed pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Filed herewith |
| 31.2 | Certification of Principal Financial Officer filed pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Filed herewith |
| 32.1 | Certification of Chief Executive Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 Filed herewith |
| 32.2 | Certification of Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 Filed herewith |
| 101 | Financial statements from the quarterly report on Form 10-Q of Wetrade Group Inc for the fiscal quarter ended June 30, 2023, formatted in XBRL: (i) the Balance Sheet; (ii) the Statement of Income; (iii) the Statement of Cash Flows; and (iv) the Notes to the Financial Statements Filed herewith |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated August 21, 2023

WETRADE GROUP INC

By: /s/ Wei Hechun

Wei HeChun
Chief Executive Officer

/s/ Annie Huang

Annie Huang
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 15 U.S.C. SECTION 7241, AS
ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Wei Hechun, certify that:

- 1 I have reviewed the quarterly report on Form 10-Q of We Trade Group Inc., a Wyoming corporation, for the period ended June 30, 2023, as filed with the Securities and Exchange Commission;
- 2 Based on my knowledge, this report 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 report;
- 3 Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for, the periods presented in this report;
- 4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 21, 2023

/s/ Wei Hechun

Wei He Chun
Chief Executive Officer

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Annie Huang, certify that:

- 1 I have reviewed the Quarterly Report on Form 10-Q of We Trade Group Inc., a Wyoming corporation, for the period ended June 30, 2023, as filed with the Securities and Exchange Commission;
- 2 Based on my knowledge, this report 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 report;
- 3 Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of and for, the periods presented in this report;
- 4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 21, 2023

/s/ Annie Huang

Annie Huang
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Wei He Chun, Director and Chief Executive Officer of WeTrade Group Inc. (the "Company"), do hereby certify, in connection with Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (the "Report") of the Company, the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 21, 2023

By: /s/ Wei Hechun

Wei Hechun

Chief Executive Officer

(principal executive officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Annie Huang, Director and Chief Financial Officer of WeTrade Group Inc. (the "Company"), do hereby certify, in connection with Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (the "Report") of the Company, the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 21, 2023

By: /s/ Annie Huang

Annie Huang

Chief Financial Officer

(principal financial officer)