

CHINA VTV LIMITED
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CHINA VTV LIMITED
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	November 30,	February 28,
	2021	2021
Assets		
Cash	\$ 928	\$ 1,394
Prepaid	5,335	2,806
Total current assets	6,263	4,200
Contingent receivable	-	608,914
Capital assets, net	32,188	60,483
Investment in equity investee, net	47,027	-
Total Assets	\$ 85,478	\$ 673,597
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable	\$ 11,958	\$ 12,005
Wages payable	529,955	346,341
Due to related parties	1,004,554	901,729
Total current liabilities	1,546,467	1,260,075
Total liabilities	1,546,467	1,260,075
Stockholders' Deficit		
Common stock, par value \$0.001, 600,000,000 shares authorized, 262,360,000 and 286,360,000 shares issued and outstanding as of September 30, 2021 and February 28, 2021, respectively	262,360	286,360
Additional paid-in capital	3,152,209	3,737,123
Subscription receivables and shares issuable, net	(142,940)	(142,940)
Accumulated deficit	(4,721,904)	(4,454,143)
Accumulated other comprehensive loss	(10,714)	(12,878)
Total stockholders' deficit	(1,460,989)	(586,478)
Total Liabilities and Stockholders' Deficit	\$ 85,478	\$ 673,597

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

CHINA VTV LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	For the Three Months Ended November 30,		For the Nine Months Ended November 30,	
	2021	2020	2021	2020
Net revenue	\$ 10,776	\$ -	\$ 42,451	\$ -
Cost of revenue	5,949	-	23,097	-
Gross profit	4,827	-	19,354	-
General and administrative expenses	78,582	469,499	287,115	554,903
Income (Loss) from operations	(73,755)	(469,499)	(267,761)	(554,903)
Loss From Continued Operations Before Provision for Income Tax	(73,755)	(469,499)	(267,761)	(554,903)
Provision for income tax	-	-	-	-
Net Loss from Continued Operations	(73,755)	(469,499)	(267,761)	(554,903)
DISCONTINUED OPERATIONS:				
Income (loss) from discontinued operations, net of income taxes	-	(654,342)	-	402,338
Net Income (loss)	\$ (73,755)	\$ (1,123,841)	\$ (267,761)	\$ (152,565)
Net income (loss) attributable to noncontrolling interests - discontinued operations	-	(16,029)	-	(84,777)
Net income (loss) attributable to the Company - discontinued operations	-	(638,313)	-	487,116
Other comprehensive income (loss):				
Foreign currency translation income	(426)	229,345	2,164	603,082
Comprehensive income (loss)	\$ (74,181)	\$ (878,467)	\$ (265,597)	\$ 535,294
Net income (loss) per common share:				
Basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding:				
Basic and diluted	262,360,000	286,236,923	278,330,909	284,927,564

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

CHINA VTV LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)

	Common Stock		Additional Paid-in Capital	Subscription Receivables/ Shares Issuable	Accumulated Income (Deficit)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Stockholders' Equity (Deficit)
	Number of shares	Amounts						
Balance at February 28, 2021	286,360,000	\$ 286,360	\$ 3,737,123	\$ (142,940)	\$ (4,454,143)	\$ (12,878)	\$ -	\$ (586,478)
Net income for the period					(101,469)			(101,469)
Foreign currency translation						(730)		(730)
Balance at May 31, 2021	286,360,000	\$ 286,360	\$ 3,737,123	\$ (142,940)	\$ (4,555,612)	\$ (13,608)	\$ -	\$ (688,677)
Cancellation of shares issued to Butterfly shareholders	(24,000,000)	(24,000)	(584,914)					(608,914)
Net income for the period					(92,537)			(92,537)
Foreign currency translation						3,320		3,320
Balance at August 31, 2021	262,360,000	\$ 262,360	\$ 3,152,209	\$ (142,940)	\$ (4,648,149)	\$ (10,288)	\$ -	\$ (1,386,808)
Net income for the period					(73,755)			(73,755)
Foreign currency translation						(426)		(426)
Balance at September 30, 2021	262,360,000	\$ 262,360	\$ 3,152,209	\$ (142,940)	\$ (4,721,904)	\$ (10,714)	\$ -	\$ (1,460,989)

	Common Stock		Additional Paid-in Capital	Subscription Receivables/ Shares Issuable	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Stockholders' Equity (Deficit)
	Number of shares	Amounts						
Balance at February 29, 2020	284,280,000	\$ 284,280	\$ 3,681,379	\$ (446,025)	\$ (3,844,738)	\$ (2,098)	\$ -	\$ (327,202)
Proceed received from subscriber				134,680				134,680
Proceed received from sale of 15% interest in			3,214,837				14,737	3,229,574
Net income for the period					919,805		(140,587)	779,218
Foreign currency translation						(234,075)		(234,075)
Balance at May 31, 2020	284,280,000	\$ 284,280	\$ 6,896,216	\$ (311,345)	\$ (2,924,933)	\$ (236,173)	\$ (125,850)	\$ 3,582,195
Proceed received from subscriber				102,060				102,060
Net income for the period					134,954		57,102	192,056
Foreign currency translation						607,812		607,812
Balance at August 31, 2020	284,280,000	\$ 284,280	\$ 6,896,216	\$ (209,285)	\$ (2,789,979)	\$ 371,639	\$ (68,748)	\$ 4,484,123
Proceed received from subscriber				56,862				56,862
Stock issued for compensation	2,080,000	2,080	271,957					274,037
Net income for the period					(1,107,811)		(16,028)	(1,123,839)
Foreign currency translation						229,345		229,345
Balance at September 30, 2020	286,360,000	\$ 286,360	\$ 7,168,173	\$ (152,423)	\$ (3,897,790)	\$ 600,984	\$ (84,776)	\$ 3,920,528

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

CHINA VTV LIMITED
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED NOVEMBER 30, 2021
(UNAUDITED)

NOTE 1. ORGANIZATION AND BUSINESS BACKGROUND

China VTV Limited (formerly known as “T-Bamm”, the “Company”) was incorporated in the State of Nevada on February 19, 2015. The Company is a holding company and has not carried out substantive business operations of its own since its inception.

On March 15, 2019, the Company, China VTV Ltd. (“China VTV”), a corporation formed under the laws of Hong Kong, and its shareholders entered into a share purchase/exchange agreement (the “Share Exchange Agreement”), pursuant to which the Company issued an aggregate of 110,550,000 shares of its common stock to all of the shareholders of China VTV in prorated amounts in exchange for all of the issued and outstanding equity interests of China VTV on May 6, 2019 (the “Closing Date”). As a result, China VTV has become a wholly-owned subsidiary of the Company. The acquisition of China VTV has been accounted for as a reverse acquisition (the “Reverse Merger”), and the business of China VTV became the business of the Company. China VTV developed an Over-The-Top (the “OTT”) platform that distributes streaming media as a standalone product directly to viewers over the internet, bypassing telecommunications, multichannel televisions, and broadcast television platforms that traditionally act as a controller or distributor of such content.

On December 18, 2019, the Company, VTV Global Culture Media (Beijing) Co., Ltd., a Chinese wholly foreign owned entity and a wholly-owned subsidiary of the Company (the “WFOE”), Butterfly Effect Culture Media (Beijing) Co., Ltd. (“Butterfly”), a corporation formed under the laws of the People’s Republic of China (the “PRC”), and each and all of the equity holders of Butterfly (“Butterfly Shareholders”) entered into a business acquisition agreement (the “Acquisition Agreement”), pursuant to which the Company through its WFOE agreed to acquire Butterfly through a series of management agreements (the “VIE Agreements”) to effectively control Butterfly (the “Acquisition”). On February 24, 2020 (the “Closing Date”), the Company and Butterfly closed the transactions contemplated under the Acquisition Agreement, pursuant to which the Company effectively controls Butterfly Effect Culture Media (Beijing) Co., Ltd. via the VIE Agreements. Butterfly primarily engages in literary adaptation business and centers its business on internet Chinese literary and literary adaptation for TV shows, movies, audible books and mobile phone video games that are primarily distributed through online platforms.

Following the acquisition, the Company operated as a single entity in one integrated business unit which were 1) the e-media online streaming platform operated by the Company’s Hong Kong subsidiary and 2) the literary adaptation business whereby Butterfly adapted original stories or books into TV shows, movies and mobile video games to be distributed in and outside the People’s Republic of China (the “PRC”) through the internet.

On December 1, 2020, the Company’s Board of Directors and majority shareholders of the Company approved and issued a Notice to terminate the Business Acquisition Agreement and all existing VIE Agreements, dated on December 18, 2019, with Butterfly and Butterfly’s shareholders. Pursuant to the Termination Notice, all the rights and obligations under the Business Acquisition Agreement and the VIE Agreements were terminated effectively on December 1, 2020. Upon the effectiveness of the termination, the Company had no control of Butterfly, and the Butterfly’s operations were no longer the Company’s operations. On March 26, the Company, the WFOE, Butterfly and Butterfly’s shareholders completed a signed termination agreement (the “Termination Agreement”) to terminate the Business Acquisition Agreement and all existing VIE Agreements.

After the termination of the Business Acquisition Agreement and the VIE Agreements with Butterfly and Butterfly shareholders, the Company continues its online media business operated by the Company’s Hong Kong subsidiary. At the same time, the Company is also looking for new business acquisitions and opportunities that are in align with its strategic plan.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation

The accompanying consolidated financial statements as of November 30, 2021 and February 28, 2021 and for the three and nine months ended November 30, 2021 and 2020 include the financial statements of the Company, its wholly-owned subsidiaries, China VTV, the WFOE, and Butterfly that ceased to be the Company’s business and was treated as discontinued operations, effectively on December 1, 2020, upon the termination of the Business Acquisition and VIE agreements among the Company, Butterfly and Butterfly’s shareholders, in which the Company lost control of Butterfly.

All significant intercompany accounts and transactions have been eliminated in consolidation.

Discontinued operations

On December 1, 2020, the Company’s Board of Directors and majority shareholders of the Company approved and issued a Notice to terminate the Acquisition Agreement and all existing VIE Agreements, dated December 18, 2019, with Butterfly. Upon the effectiveness of the termination, the Company no longer had control of Butterfly, and the Butterfly’s business were no longer the Company’s business. Accordingly, the Butterfly’s financial statements were deconsolidated from the Company’s financial statements on December 1, 2020. The assets and liabilities of Butterfly, as of December 1, 2020, were fully written off and the assets and liabilities of Butterfly have been accounted for as discontinued operations in the Company’s consolidated balance sheets for the prior year presented. The operating results related to Butterfly’s business have been included in discontinued operations in the Company’s consolidated statements of operations and comprehensive loss for the prior year presented.

Reclassification

Certain reclassifications have been made to the prior year’s financial statements to conform to the current year presentation.

Revenue Recognition

The Company adopted Topic 606 effective March 1, 2019 and recognizes revenue based on the five criteria for revenue recognition that are established under Topic 606: 1) identify the contract, 2) identify separate performance obligations, 3) determine the transaction price, 4) allocate the transaction price among the performance obligations, and 5) recognize revenue as the performance obligations are satisfied.

The Company provides advertising services to third-party advertising agencies and advertisers. Advertising contracts are signed to establish the price and specify the advertising services to be provided. Pursuant to the advertising contracts, the Company provides advertisement placements on its APP Platform in different formats, including but not limited to video, banners, links, logos, brand placement and buttons. The Company performs a credit assessment of the customers to assess the collectability of the revenue prior to entering into contracts. For contracts where the Company provides customers with multiple performance obligations, primarily for advertisements to be displayed in different spots, placed under different forms and occurred at different times, the Company would evaluate all the performance obligations in the arrangement to determine whether each performance obligation is distinct. Consideration is allocated to each performance obligation based on its standalone selling price and revenue is recognized as each performance obligation is satisfied by displaying the advertisements in accordance with the advertising contracts.

Stock-Based Payments

The Company follows the provisions of ASC Topic 718, *Compensation - Stock Compensation* (“ASC 718”), which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees, non-employee directors, and consultants, including employee stock options. Stock compensation expense, which is based on the grant date’s fair value estimated in accordance with the provisions of ASC 718, is recognized as an expense over the requisite service period, and the Company made a policy election to recognize forfeitures when they occur.

The fair value of each option grant is estimated using the Black-Scholes option-pricing model, which requires assumptions regarding the expected volatility of the stock price, the expected lifetime of the options, an expectation regarding future dividends on the Company’s common stock, and estimation of an appropriate risk-free interest rate. The Company’s expected common stock price volatility assumption is based upon the historical volatility of the stock price of some similar companies due to limited history of our own stock price. The expected lifetime assumption for stock options grants was based upon the simplified method provided under ASC 718-10, which averages the contractual term of the options with the vesting term. The dividend yield assumption of zero is based upon the fact that the Company has never paid cash dividends in the past and has presently no intention of paying cash dividends in the future. The risk-free interest rate used for each grant was based upon the prevailing short-term interest rates over the expected lifetime of the options.

Translation Adjustment

The accounts of China VTV and Butterfly Effect were maintained, and their financial statements were expressed, in Hong Kong Dollar (“HKD”) and Chinese Yuan (RMB), respectively. Such financial statements were translated into U.S. Dollars (“\$” or “USD”) in accordance ASC 830, “Foreign Currency Matters”, with the HKD and RMB as the functional currencies. Pursuant to the ASC 830, all assets and liabilities are translated at the current exchange rate, stockholders’ equity (deficit) are translated at the historical rates, and income statement items are translated at an average exchange rate for the period.

The resulting translation adjustments are reported under accumulated other comprehensive income (loss) as a component of stockholders’ equity (deficit).

Fair Value Measurements

The Company has adopted FASB Accounting Standard Codification Topic on Fair Value Measurements and Disclosures (“ASC 820”), which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 establishes a three-level valuation hierarchy of valuation techniques based on observable and unobservable input, which may be used to measure fair value and include the following:

Level 1 - quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 - observable prices that are based on inputs not quoted on active markets but corroborated by market data; and

Level 3 - unobservable inputs when there is little or no market data available, thereby requiring an entity to develop its own assumptions. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The carrying values of certain assets and liabilities of the Company approximate to fair value due to their relatively short maturities.

Basic and Diluted Earnings (Loss) Per Share

Pursuant to ASC 260-10-45, basic loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the periods presented. Diluted loss per share is computed by dividing net loss by the weighted average number of shares of common stock, common stock equivalents and

potentially dilutive securities outstanding during the period. Potentially dilutive common shares consist of common stock issuable for stock warrants (using the treasury stock method) and common shares issuable upon the conversion of convertible notes payable (using the as-if converted method). These common stock equivalents may be dilutive in the future.

All potentially dilutive common shares were excluded from the computation of diluted shares outstanding as they would have an anti-dilutive impact on the Company's net losses and consisted of the following:

	November 30, 2021	November 30, 2020
Stock options	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

Income Taxes

The Company accounts for income taxes under ASC 740. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period including the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Recently Issued Accounting Pronouncements

Management has considered all recent accounting pronouncements issued and their potential effect on the consolidated financial statements. The Company's management believes that these recent pronouncements will not have a material effect on its consolidated financial statements.

Risks and Uncertainties

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 caused interruption of operation in the Company's China facilities from February to early March 2020. The breakout of COVID-19 around the world in the first and second quarters of 2020 has caused significant market volatility in China, U.S., and the rest of the world. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the global economies and, as such, the Company is unable to determine if it will have a material impact on its financial result of the following year.

Return and Cancellation of the Shares Issued to the Butterfly's Shareholders at Acquisition

In accordance with the Termination Agreement, each of the Butterfly's shareholders transferred and assigned to the Company their respective interest in the Company for cancellation. Within five business days of the Termination Agreement, each Butterfly's shareholder shall deliver to the Company the stock certificate and required documents for the Stock Consideration. Each of the Butterfly's shareholders shall deliver a cancellation form authorizing the Company to cancel the shares of the Company's common stock issued to the Butterfly's shareholder and return the shares of the Company's common stock to unissued state. On August 31, 2021, the process for return and cancellation of the shares had been completed. Therefore, the Contingent Receivable of \$608,914 for the 24,000,000 shares of the Company's common stock that were returned by the Butterfly's shareholders was released on August 31, 2021.

NOTE 3. GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business.

As of November 30, 2021, the Company had a working capital deficiency of \$1,540,204 and has an accumulated deficit of \$4,721,904. Further losses are anticipated in the development of the business, raising substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustment that might result from the outcome of this uncertainty. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company upon signing of that agreement.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plans to obtain such resources for the Company include (1) obtaining capital from the sale of its equity securities (2) short-term and long-term borrowings from banks and third-parties, and (3) short-term borrowings from stockholders or other related party(ies) when needed. However, management cannot provide any assurance that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully grow its advertising business and secure other sources of financing and attain profitable operations.

NOTE 4. INVESTMENT IN EQUITY INVESTEE

Hetan Yingbao Food and Beverage (Beijing) Co., Ltd. (dba Yingbao Kitchen) is a Taiwanese style restaurant, which also organizes cooking shows and cooking classes. In May 2021, the Company made a cash investment of approximately \$47,027 (RMB300,000) in Hetan Yingbao Food and Beverage (Beijing) Co., Ltd. As of November 30, 2021, the Company owned approximately 30% equity interest in Hetan Yingbao Food and Beverage (Beijing) Co., Ltd. and as a result was the largest shareholder thereof.

The investment is in equity of the company, of which shares are not publicly traded, and that the Company does not have control or significant influence. The investments are recorded at cost less impairment, as the fair value of the share prices are not readily determinable.

	As of	
	November 30, 2021	February 28, 2021
Investment in equity investee	\$ 47,027	\$ -
Less: impairment	-	-
Total	<u>\$ 47,027</u>	<u>\$ -</u>

NOTE 5. DISCONTINUED OPERATIONS

On December 1, 2020, the Company lost control of Butterfly, and the Butterfly's business were no longer the Company's business. As a result, the Butterfly's financial statements were deconsolidated from the Company's financial statements on the same date. The assets and liabilities of Butterfly, as of December 1, 2020, were fully written off. The operating results related to Butterfly's business have been included in discontinued operations in the Company's consolidated statements of operations and comprehensive loss for the three and nine months ended November 30, 2020.

The summarized operating result of discontinued operations included in the Company's consolidated statements of operations and comprehensive loss are as follows:

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2021	2020	2021	2020
Revenue, net	\$ -	\$ 1,395,131	\$ -	\$ 8,132,980
Cost of revenue	-	1,128,816	-	3,972,287
Gross profit	-	266,315	-	4,160,693
Operating expenses	-	714,665	-	3,498,217
Income (loss) from operations	-	(448,350)	-	662,476
Other loss, net	-	(222,021)	-	(344,915)
Gain (Loss) attributable to noncontrolling interests	-	(16,029)	-	(84,777)
Income (loss) from discontinued operations, net of income taxes	\$ -	\$ (654,342)	\$ -	\$ 402,338

NOTE 6. RELATED PARTY TRANSACTIONS AND BALANCES

The related parties of the Company with whom transactions are reported in these consolidated financial statements are as follows:

Name of entity or individual	Relationship with the Company and its subsidiary
Mr. Tijin Song	Shareholder, Chairman of the Board, CEO and President
Mr. Guoping Chen	Shareholder, interim CFO and Director

Due To Related Parties

	As of	
	November 30, 2021	February 28, 2021
Mr. Tijin Song	\$ 584,556	\$ 481,693
Mr. Guoping Chen	419,998	420,036
Total due to related parties	\$ 1,004,554	\$ 901,729

The Company has received advances from its related parties for working capital purposes. The advances are unsecured, bear no interest, and are due on demand.

NOTE 7. OTHER CONTINGENT LIABILITY

On September 30, 2019, the Company entered into a strategic development agreement (the “Strategic Development Agreement”) with CybEye Image, Inc. (“CybEye”). CybEye agreed to develop and provide technical support and maintenance to the Company’s online streaming OTT Platform and incorporate blockchain technologies to enhance security of the Company’s OTT Platform. The Strategic Development Agreement will continue in full force and effect until September 29, 2022.

Concurring to this agreement, the Company also entered into a non-exclusive licensing agreement, and amended on December 13, 2019, with CybEye, pursuant to which CybEye agreed to grant the Company a non-exclusive right and license to certain technologies for 20 years, expiring on September 30, 2029.

Pursuant to the Strategic Development Agreement, the Company agreed to issue 2,500,000 shares of its common stock to CybEye for the technical services to develop the OTT Platform. CybEye may sell and dispose any or all of the 2,500,000 shares at any time at a per share price of no less than \$5.00. In the event that the Company issues and sells its common stock in a public offering facilitated by a broker-dealer or investment bank at a price less than \$4.00 per share (the “Better Price”) within the following twelve (12) months from the agreement date, the Company agreed to grant CybEye options to purchase a number of shares of the Company’s common stock which is calculated by

multiplying the difference of \$4.00 and the Better Price by 2,500,000, then dividing the product by the Better Price, at an exercise price equaling to the Better Price.

As compensation for the license and services provided to maintain the APP Platform, the Company agreed to issue 40,000 shares of its common stock monthly to CybEye until the Company's shares are trading on a national stock exchange market, and thereafter a monthly payment of \$150,000 until September 2022. In addition, during the term of the Strategic Development Agreement, the Company agreed to grant stock options of up to 500,000 shares of the common stock each year to the owner of CybEye and stock options of up to 200,000 shares of the common stock each year to 2 technicians of CybEye for their services to the Company. The granting of the options is subject to the approval of the Board of Directors.

The 500,000 stock options to the owner of CybEye were approved and granted during the year ended February 29, 2020. The Company has not issued the 2,500,000 shares and 200,000 shares agreed to be issued to CybEye, and has not approved the granting of the 200,000 stock options to the 2 technicians as described above.

During the year ended February 29, 2020, CybEye completed the development of the OTT Platform. As of November 30, 2021, the Company estimated the fair value of the 2,700,000 shares issuable at a fair value of \$142,940 and recognized the corresponding amount as shares issuable on the consolidated balance sheets.

During the year ended February 29, 2020, the Company estimated the fair value of the 500,000 stock option at \$9,531, based on the Black Scholes Model using the following assumptions: share price - \$0.068, exercise price - \$12.00, expected lifetime of the option – 7 years, volatility – 150%, dividend yield - \$0, interest rate – 1.61%. On February 29, 2020, the Company recognized the fair value of \$9,531 as additional paid in capital which was fully amortized as of November 30, 2021.

NOTE 8. EQUITY

The Company's authorized common stock is comprised of 600,000,000 shares with a par value of \$0.001 per share. No preferred shares have been authorized or issued.

2019 Stock Plan

On November 29, 2019, the board of directors (the "Board") of the Company adopted an incentive stock plan (the "2019 Stock Plan") under which the Company may issue up to an aggregate of 22,000,000 shares of stock awards, options, or performance shares, subject to certain adjustments set forth therein. The Board of the Company has the sole authority to implement and administer the 2019 Stock Plan and may delegate a committee or one or more officers to grant awards under the 2019 Stock Plan. This 2019 Stock Plan became effective upon the Board approval on November 29, 2019 and will terminate ten years thereafter. Pursuant to the 2019 stock plan, the Company issued 12,950,000 shares of common stock to directors and employees, vested immediately on the date of award. The fair value of the 12,950,000 shares was determined to be \$826,210 which is recognized as stock-based compensation expense during the year ended February 29, 2020.

Stock Options

On August 31, 2019, the Company granted 500,000 stock options in pursuant to the Strategic Development Agreement (see NOTE 7.). The options vest 25% each on every quarter end from the grant date. The options are exercisable at \$12.00 per share until September 29, 2026.

There were no stock options issued during the three and nine months ended November 30, 2021. As of November 30, 2021, all of the outstanding 500,000 options are vested and exercisable, with the weighted-average exercise price of \$12.00 per share. The weighted-average contractual remaining life is 6.6 years, and the aggregate intrinsic value is \$0.

Stock Cancellation

In August 2021, 24,000,000 shares of the Company's common stock that were issued to the Butterfly's shareholders were returned by these shareholders. The shares were canceled and return to unissued state. See Note 2.

NOTE 9. INCOME TAXES

United States

The Company files income tax returns in the U.S. federal jurisdiction and local jurisdictions. The Company is not currently under examination by the Internal Revenue Service or any state income tax authorities. The 2015 through 2017 tax years remain subject to examination by the Internal Revenue Service. On December 22, 2017, H.R. 1, originally known as the Tax Cuts and Jobs Act, (the "Tax Act") was enacted. Among the significant changes to the U.S. Internal Revenue Code, the Tax Act lowers the U.S. federal corporate income tax rate ("Federal Tax Rate") from 35% to 21% effective January 1, 2018. The Company has chosen to provide a full valuation allowance against all available income tax loss carry forwards. The Company has recognized a valuation allowance for the deferred income tax asset, since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future years.

Hong Kong

China VTV was incorporated in Hong Kong and is subject to Hong Kong profits tax at 16.5%. No provision for Hong Kong income or profit tax has been made as the China VTV has no assessable profit for the period from January 9, 2015 (date of inception) to November 30, 2021. China VTV has provided a full valuation allowance on the deferred tax assets for the net operating loss carry-forward because of the uncertainty regarding its realizability.

China

China VTV Limited's subsidiary and the WFOE are entities incorporated in the PRC (the "PRC entities") and are subject to PRC Enterprise Income Tax (EIT), on the taxable income in accordance with the relevant PRC income tax laws, which have adopted a unified income tax rate of 25% since January 1, 2008.

Provision for income tax expense (benefit) consisted of the following:

	For the Three Months		For the Nine Months	
	Ended		Ended	
	November 30,		November 30,	
	2021	2020	2021	2020
Current	\$ -	\$ -	\$ -	\$ -
Deferred	-	-	-	-
Total provision for income tax expense (benefit)	\$ -	\$ -	\$ -	\$ -

The following is a reconciliation of the statutory tax rate to the effective tax rate:

	For the Three Months		For the Nine Months	
	Ended		Ended	
	November 30,		November 30,	
	2021	2020	2021	2020
PRC statutory rate	25.0 %	25.0 %	25.0 %	25.0 %
Temporary difference between US GAAP and PRC tax accounting	(25.0) %	(25.0) %	(25.0) %	(25.0) %
Effective income tax rate	- %	- %	- %	- %

The significant component of deferred income tax assets as of November 30, 2021 and February 28, 2021 are as follows:

	As of	
	November 30, 2021	February 28, 2021
Net operating loss carry-forward	\$ 316,545	\$ 294,412
Valuation allowance	(316,545)	(294,412)
Net deferred income tax assets	\$ -	\$ -

NOTE 10. SUBSEQUENT EVENTS

The Company has evaluated subsequent events that have occurred after the date of the balance sheet through the date of issuance of these consolidated financial statements and determined that no subsequent event requires recognition or disclosure to the consolidated financial statements.