

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Wu Ba Superior Products Holding Group, Inc.

Unit 1310, Zhongan Plaza, Guangchang Rd
Buji Avenue, Wenjing Community, Longgang District
Shenzhen, Guangdong, China 51800
(888) 972-7273 (Paracorp, Inc. – agent for service)

Website: N/A

Email: chenyh@58youpin.cn

SIC: 7389 – Business Services, Not Elsewhere Classified

Annual Report

For the Period Ending: December 31, 2021
(the “Reporting Period”)

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

101,587,053

As of May 11, 2022, the number of shares outstanding of our Common Stock was:

101,587,053

As of December 31, 2021, the number of shares outstanding of our Common Stock was:

101,587,053

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

Yes: No:

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

Yes: No:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

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

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

HotelPlace, Inc. (Nevada) 06/23/2010 – 06/27/2011

Rarus Minerals, Inc. 06/27/2011 – 01/26/2012

Rarus Technologies, Inc. 01/26/2012 – 12/17/2018

Wu Ba Superior Products Holding Group Inc. 12/17/2018 – present

¹ “Change in Control” shall mean any events resulting in:

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

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

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

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

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Incorporated in Nevada during the past five years. Company's current standing is Active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None.

The address(es) of the issuer's principal executive office:

Unit 1310, Zhongan Plaza, Guangchang Rd
Buji Avenue, Wenjing Community, Longgang District
Shenzhen, Guangdong, China 51800

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

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

Same as above.

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

Yes: No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

On January 29, 2018, the Eighth Judicial District Court in Clark County, Nevada, appointed an affiliate of David Lazar as custodian of the Company. On May 2, 2018, control of the Company was transferred by the entity controlled by Mr. Lazar to Yanhuan Chen, the Company's current Chairman and principal executive officer, by selling him 10,000,000 shares of Series A Preferred Stock for a purchase price of \$400,000.

2) Security Information

Trading symbol:	<u>WBWB</u>	
Exact title and class of securities outstanding:	<u>Common</u>	
CUSIP:	<u>98256T200</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>850,000,000</u>	as of date: <u>12/31/2021</u>
Total shares outstanding:	<u>101,587,053</u>	as of date: <u>12/31/2021</u>
Number of shares in the Public Float ² :	<u>251,410</u>	as of date: <u>12/31/2021</u>
Total number of shareholders of record:	<u>37</u>	as of date: <u>12/31/2021</u>

All additional class(es) of publicly traded securities (if any): None.

Trading symbol:	_____	
Exact title and class of securities outstanding:	_____	
CUSIP:	_____	
Par or stated value:	_____	
Total shares authorized:	_____	as of date: _____

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Total shares outstanding: _____ as of date: _____

Transfer Agent

Name: Action Stock Transfer Corporation
 Phone: (801) 274-1088
 Email: action@actionstocktransfer.com
 Address: 2469 E. Fort Union Blvd, Suite 214, Salt Lake City, UT 84121

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer’s securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date <u>12/31/2019</u> Common: 1,458,694 Preferred: <u>10,000,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
1/7/2020	<u>New Issuance</u>	<u>229,729</u>	<u>Common</u>	_____	_____	_____	_____	_____	_____
1/17/2020	<u>New Issuance</u>	<u>100</u>	<u>Common</u>	_____	_____	_____	_____	_____	_____
1/27/2020 [1]	<u>New Issuance</u>	75,060,000	<u>Common</u>		<u>No</u>	Tim Gain Limited (16,780,000) [2]; Bright Holdings Investments Ltd. (6,670,000) [2]; Yanhuan Chen (51,610,000)			
2/6/2020	<u>New Issuance</u>	<u>100</u>	<u>Common</u>		<u>No</u>				
3/3/2020	<u>New Issuance</u>	<u>634</u>	<u>Common</u>		<u>No</u>				

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

10/28/2020 [1]	<u>New Issuance</u>	24,940,000	<u>Common</u>		<u>No</u>	Tactic Glory Limited [2]			
Shares Outstanding on Date of This Report:									
<u>Ending Balance:</u>									
Date <u>12/31/2021</u>	Common: <u>101,587,053</u>								
Preferred: <u>10,000,000</u>									

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<i>Note [1]</i>	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

[1] On its balance sheet, the Company lists Other Payables (\$1,295,066), Loan Payable (\$54,160), and amounts Due to related parties (\$4,245,000). These debts are not in the form of promissory or convertible notes or other debt securities.

4) Financial Statements

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

- U.S. GAAP
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Yanhuan Chen
Title: Chief Financial Officer
Relationship to Issuer: Officer and Director

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

See attached – Wu Ba Superior Products Holding Group, Inc. – Financial Statements for FY 2020

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Wu Ba Superior Products Holding Group Inc. (the "Company") is a US company operating in the new retail e-commerce business sector in the People's Republic of China ("PRC" or "China"). The Company is primarily focused on the Chinese e-commerce market.

The Company, through its wholly owned subsidiary Living Cycle Holding Ltd. (incorporated in the British Virgin Islands) and its subsidiaries and through Wuba Life Circle (Shenzhen) Technology Co., Ltd. (incorporated in the PRC as a Variable Interest Entity or "VIE"), owns and operates an active commerce business in China. The Company operates an innovative and fast growing "new e-commerce" ecosystem that provides small and medium-sized companies, vendors, and users an online-to-offline ("O2O") platform to start their businesses by integrating online and offline stores and supermarkets, offering customers a broad range of products, including food, clothing, housing and transportation both online and offline in a seamless fashion.

- B. Please list any subsidiaries, parents, or affiliated companies.

	Date of Incorporation	% Interest	Place of Incorporation
Subsidiaries:			
Living Cycle Holding LTD (BVI)	6/28/2018	100	BVI
Fifty-Eight Superior Products (HK) Technology Ltd.	09/07/2017	100	Hong Kong
Shenchuang Dachen (Shenzhen) Technology	12/07/2018	100	People's Republic of China
VIE:			
Wuba Life Cycle (Shenzhen) Technology Co., Ltd. ("Wuba Life Cycle" or "VIE")	03/20/2017	100	People's Republic of China

There are no parent companies of the Company.

- C. Describe the issuers' principal products or services.

The Company's wholly owned subsidiary Living Cycle Holding Ltd. ("Living Cycle") engages primarily in e-commerce. Living Cycle uses a mobile Internet app terminal which adopts a traditional sales model as well as a self-created sales model. Under the new sales model, some of the profits are transferred to cooperative merchants, forming a "red envelope" pool and giving the red envelope to the customers for re-consumption according to a certain proportion of sales consumption amount.

In the People's Republic of China ("PRC"), "red envelope" is similar to coupons in the United States: after a consumer makes a purchase, the consumer has a chance to obtain a coupon, or red envelope. The coupon value is issued from 1% to 100% of the cash portion of the consumer's purchase, and the coupon can be used in the Company's online platform with any other merchant registered in the platform.

Wuba Life Circle (Shenzhen Technology Co., Ltd. is the main operating company in the PRC. It is controlled by Living Circle by means of variable interest entity ("VIE"). Wuba Life Circle is an innovative and fast-growing e-commerce ecosystem that provides small and medium-sized companies, vendors, and users with an online-to-offline ("O2O") platform to start their businesses. It seamlessly integrates online and offline stores and supermarkets, offering customers access to a broad range of products, including food, clothing, housing, and transportation both online and offline.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company's primary facility is located at:

Unit 1301, Zhongan Building
1 Guangchuang Road
Longgang District, Shen Zhen
GuangDong, China

The Company leases this facility. The current term of the lease runs from February 1, 2021, through March 31, 2022, with a right of the Company to extend upon no less than 90 day's advance notice.

Company computer servers are primarily hosted at internet data centers owned by major domestic internet data center providers. Hosting agreements typically have one-year terms and are renewed automatically upon expiration.

7) Company Insiders (Officers, Directors, and Control Persons)

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

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

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Yanhuan Chen	Chairman, CEO, and CFO	No. 131 Da Han Ju, Xianbu Village, Hongyyang, Guangdong Province, China 1984080	83,060,000 [2] [3]	Common	81.76	
Jinlin Zhang	<u>Vice Chairman, COO</u>	Jiao Xin Xueyuan Ben, No. 55th Grad 08, Zhongshan Avenue West, Tianhe District, Guangzhou City, China	48,390,000 [4]	Common	47.63	
Xiru Chen	<u>Director</u>	c/o Company, Unit 1301, Zhongan Building, 1 Guangchuang Road, Longgang District, Shen Zehen, GuangDong, China	24,940,000 [5]	Common	24.55	
Tactic Glory Limited	>5%	No. 14 Xincuo Bureau, Zhaihe Village Dabei Town, Guangdong Province, China 1999922	24,940,000	Common	24.55	
Tim Gain Limited	>5%	No. 131 Da Han Ju, Xianbu Village, Hongyyang, Guangdong Province, China 1984080	16,780,000	Common	16.52	
Bright Holdings Investments Ltd.	>5%	No. 131 Da Han Ju, Xianbu Village, Hongyyang, Guangdong Province, China 1984080	6,670,000	Common	6.57	
Yanhuan Chen	Chairman, CEO, and CFO	No. 131 Da Han Ju, Xianbu Village, Hongyyang, Guangdong	10,000,000	Preferred A	<u>100</u>	Shares are Restricted Control

Notes:

[1] The mailing address for each person is c/o Wu Ba Superior Products Holding Group, Inc., c/o Paracorp Incorporated, 318 N. Carson Street, #208, Carson City, Nevada 89701.

[2] Includes 51,610,000 shares issued in exchange for his interest in Living Cycle Holding Ltd. and 8,000,000 shares issued upon conversion of shares of Series A Preferred Stock. Also includes the shares of Bright Holdings Investments Ltd., of which Mr. Chen is the sole director and a majority shareholder (86%) and the shares of Tim Gain Limited, of which Mr. Chen is the sole director and a shareholder of Tim Gain (25%).

[3] Does not include 10,000,000 shares of Series A Preferred Stock which are convertible into shares of common stock and which vote with the common stock on an as converted basis.

[4] For reporting purposes, the total includes the shares owned by (i) Tactic Glory Limited, of which Mr. Zhang is a director in two companies which each own a 20% interest in Tactic Glory, (ii) Bright Holdings Investments Ltd., of which Mr. Zhang is a shareholder (14%), or (iii) by Tim Gain Limited, of which Mr. Zhang is a shareholder (20%). Mr. Zhang disclaims a controlling interest in each of these three companies.

[5] Includes the shares owned by Tactic Glory Limited, of which Ms. Xiru is the sole director.

[6] Includes 51,610,000 shares owned by Mr. Chen issued in exchange for his interest in Living Cycle Holding Ltd., 6,670,000 shares owned by Bright Holdings Investments Ltd. issued in exchange for its interest in Living Cycle Holding Ltd, 24,940,000 shares owned by Tactic Glory Limited issued in exchange for its interest in Living Cycle Holding Ltd, and 16,780,000 shares owned by Tim Gain Limited issued in exchange for its interest in Living Cycle Holding Ltd.

8) Legal/Disciplinary

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None.

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Mark E. Crone, Esquire
Firm: The Crone Law Group PC
Address 1: 500 Fifth Ave – Suite 938
Address 2: New York, NY 10110
Phone: (646) 861-7891
Email: mcrone@cronelawgroup.com and elittle@cronelawgroup.com

Accountant or Auditor

Name:
Firm:
Address 1:
Address 2:

Phone:
Email:

Investor Relations

None.

Other Service Providers

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

None.

[REMAINDER OF PAGE LEFT BLANK; ISSUER CERTIFICATION FOLLOWS]

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Yanhuan Chen certify that:

1. I have reviewed this Annual Disclosure Statement – PE 12/30/2021 of Wu Ba Superior Products Holding Group, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 16, 2022

/s/ Yanhuan Chen

Principal Financial Officer:

I, Yanhuan Chen certify that:

1. I have reviewed this Annual Disclosure Statement – PE 12/30/2021 of Wu Ba Superior Products Holding Group, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 16, 2022

/s/ Yanhuan Chen

**WU BA SUPERIOR PRODUCTS HOLDING GROUP INC.
CONSOLIDATED BALANCE SHEETS**

	As of December 31,
	2021
Cash and cash equivalents	\$ 166,941
Other receivables	110,202
Prepayments	12,810
Total current assets	289,953
Property and equipment, net	162,043
Due from related parties	413,501
Operating lease right-of-use assets, net	102,266
TOTAL ASSETS	967,763
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Deferred Revenue	122,667
Other payables	1,102,510
Loan Payable	40,902
Due to related parties	4,447,427
VAT Payable	546,148
Income tax payable	220,716
Operating lease liabilities, current	102,266
Accrued liabilities	-
Total current liabilities	6,582,636
Operating lease liabilities, non-current	-
Total liabilities	6,582,636
SHAREHOLDERS' EQUITY (DEFICIT)	
Common stock: \$0.001 par value; 750,000,000 authorized shares; 101,586,419 shares issued and outstanding at December 31, 2021 and 2020 , respectively	101,586
Preferred stock:\$0.001 par value; 100,000,000 authorized shares; 10,000,000 nil shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	10,000
Additional paid-in capital	595,412
Accumulated deficit	(6,005,557)
Accumulated other comprehensive income	(216,314)
Subscription receivable	(100,000)
Total shareholders' equity (deficit)	(5,614,873)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	967,763
	\$

Accompanying notes are an integrated part of the consolidated financial statements

WU BA SUPERIOR PRODUCTS HOLDING GROUP INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	For the year ended December 31,
	2021
Revenue	\$ 33,568
Cost of revenue	34,216
Cost of revenue-related parties	—
Total cost	34,216
Gross profit	(648)
Research and development	—
Sales and marketing	26,725
General and administrative	54,121
Total operating expenses	80,846
Loss from operations	(81,494)
Other income (expenses), net	—
Interest income (expense), net	(285)
Other income (expense), net	(2,123)
Loss before income taxes	(83,902)
Income taxes	—
Net loss	\$ (83,902)
Net loss per share Basic and Diluted	\$ (0.00)
	101,587.05
Weighted average shares outstanding-Basic and Diluted	3
Net loss	\$ (83,902)
Other comprehensive income:	
Foreign currency translation adjustments	19,663
Comprehensive loss	(64,239)

Accompanying notes are an integrated part of the consolidated financial statements

**WU BA SUPERIOR PRODUCTS HOLDING GROUP INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICITS**

	Common Stock		Preferred		Additional	(Accumulated	Accumulated	Subscripti	Total
	Shares	Amount	Shares	stock	paid-in	Deficit)	Other Comprehen- sive Income	on Receivabl e	
Balance at December 31, 2019	101,586,419	\$ 101,586	10,000,000	\$ 10,000	\$ 595,412	\$ (5,140,668)	\$ 105,083	\$ (100,000)	(4,428,587)
Net loss	—	—	—	—	—	(780,987)	—	—	(780,987)
Foreign currency translation	—	—	—	—	—	—	(341,040)	—	(341,040)
Balance at December 31, 2020	101,586,419	\$ 101,586	10,000,000	\$ 10,000	\$ 595,412	\$ (5,921,655)	\$ (235,977)	\$ (100,000)	(5,550,634)
Net loss	—	—	—	—	—	(83,902)	—	—	(83,902)
Foreign currency translation	—	—	—	—	—	—	19,663	—	19,663
Balance at December 31, 2021	101,586,419	\$ 101,586	10,000,000	\$ 10,000	\$ 595,412	\$ (6,005,557)	\$ (216,314)	\$ (100,000)	(5,614,873)

Accompany notes are an integrated part of the consolidated financial statements

**WU BA SUPERIOR PRODUCTS HOLDING GROUP INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<u>For the year Ended December 31, 2021</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Net Loss	\$ (83,902)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation	27,583
Changes in operating assets and liabilities:	
Other receivables	15,614
Other current assets	1,061
Deferred Revenue	(33,568)
Other payables	(192,556)
Income tax payable	(10,863)
Other current liabilities	(10,941)
CASH FLOW USED IN OPERATING ACTIVITIES	(287,572)
CASH FLOW FROM INVESTING ACTIVITIES	
Additions to property, plant and equipment	—
Due from related parties	72,843
CASH FLOW PROVIDED BY INVESTING ACTIVITIES	72,843
CASH FLOW FROM FINANCING ACTIVITIES	
Refund to short-term borrowings	(13,258)
Proceeds of short term borrowings	-
Due to related parties	202,288
CASH FLOW PROVIDED BY FINANCE ACTIVITIES	189,030
Exchange rate effect on cash and cash equivalents	19,663
Net decrease in cash and cash equivalents	(6,036)
Cash and cash equivalents at beginning of year	172,977
Cash and cash equivalents at end of year	\$ 166,941
Cash paid during the period:	
Income tax	\$ —
Interest expenses	\$ 6,528
Non-cash investing and financing activities	
Business acquisition under common control	\$ —

Accompany notes are an integrated part of the consolidated financial statements

**WU BA SUPERIOR PRODUCTS HOLDING GROUP INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Note 1. Company Overview

Wu Ba Superior Products Holding Group Inc. (the “Company” or “Wu Ba”) was incorporated in the State of Nevada on June 23, 2010 and underwent several name changes prior to its current name. Most recently and until December of 2018, the Company was known as Rarus Technologies, Inc., which was a dormant company.

On January 29, 2018, the Eighth Judicial District Court in Clark County, Nevada, appointed an affiliate of David Lazar as custodian of the Company. On May 2, 2018, control of the Company was transferred by the entity controlled by Mr. Lazar to Mr. Chen Yanhuan, our Chairman and principal executive officer and sole director, by selling him 10,000,000 shares of Series A Preferred Stock for a purchase price of \$400,000.

Effective December 17, 2018, the Company changed its name from Rarus Technologies, Inc. to Wu Ba Superior Products Holding Group Inc. Effective as of January 22, 2019 the Company conducted a 100 for 1 reverse split reorganization whereby each 100 shares of outstanding common stock were exchanged for one share of common stock. In connection with the foregoing, the Company changed our trading symbol from RARS to WBWB and began trading as WBWB effective on February 20, 2019.

Effective as of December 20, 2019, the Company effectuated a reverse stock split of our common stock of 10 for 1 in contemplation of the acquisition of Living Cycle described below. This resulted in 1,586,419 shares of common stock issued and outstanding. All number of shares set forth herein shall be post the reverse split (unless otherwise specified).

On December 27, 2019, the Company consummated the transactions contemplated by the Share Exchange Agreement among the Company, Living Cycle Holding Ltd., a British Virgin Islands corporation (“Living Cycle”) and the four shareholders of Living Cycle, pursuant to which the Company acquired all the ordinary shares of Living Cycle in exchange for the issuance to the shareholders of Living Cycle of an aggregate of 100,000,000 shares of the Company. As a result, Living Cycle became a wholly-owned subsidiary of the Company.

Wu Ba, through its wholly owned subsidiary, Living Cycle and its subsidiaries and the Variable Interest Entity (“VIE”) and operate an active ecommerce business in the People’s Republic of China. Its business is an ecommerce platform which offers marketplace services that enable third-party merchants to sell their products to consumers in China.

Note 2. Summary of Significant Accounting Policies

(a) Basis of presentation and liquidation

The accompanying consolidated balance Sheets as of December 31, 2021 and 2020 and the consolidated statements of operations and comprehensive income (loss), shareholders’ equity, and cash flow for the years ended December 31, 2021 and 2020 have been prepared by the Company in conformity with generally accepted accounting principles in the United States (“US GAAP”).

As of December 31, 2021, the Company had cash and cash equivalents of \$166,941 and an accumulated deficit of \$6,005,557. Additionally, the Company has incurred losses since its inception and must continue to rely on proceeds from debt and equity issuances to pay for ongoing operating expenses in order to execute its business plan.

The Company expects to continue to raise both equity and debt finance to support the Company’s investment plans and operations.

Although the Company may attempt to raise funds by issuing debt or equity instruments, in the future additional financing may not be available to the Company on terms acceptable to the Company or at all or such resources may not be received in a timely manner. If the Company is unable to raise additional capital when required or on acceptable terms, the Company may be required to scale back or to discontinue certain operations, scale back or discontinue the development of new business lines, reduce headcount, sell assets, file for bankruptcy, reorganize, merge with another entity, or cease operations.

These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The consolidated financial statements have been prepared assuming that the Company will continue as a going concern and, accordingly, do not include any adjustments that might result from the outcome of this uncertainty.

(b) Principles of consolidation

The following table sets forth its subsidiaries and the VIE, including their country of incorporation or residence and our ownership interest in such subsidiaries. Please see Note 4 “VIE Structure and Arrangement”.

	Date of incorporation	Interest %	Place of incorporation
Subsidiaries:			
Living Cycle Holding LTD (BVI)	2018/6/28	100%	BVI
Fifty-Eight Superior Products (HK) Technology Ltd	2017/9/7	100%	Hong Kong
Shenchuang Dacheng (Shenzhen)Technology Co.,Ltd (WFOE)	2018/12/7	100%	PRC
VIE:			
Wuba Life Circle (Shenzhen) Technology Co., Ltd. ("Wuba Life Circle" or the "VIE")	2017/3/20	N/A	PRC

(c) *Use of estimates*

The accompanying consolidated financial statements have been prepared in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and revenues and expenses during the reporting periods. Significant accounting estimates reflected in the Company's consolidated financial statements include, but not limited to economic lives and impairment of long-lived assets, valuation allowance for deferred tax assets, and uncertain tax position. Changes in facts and circumstances may result in revised estimates. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.

(d) *Foreign currency*

The functional currency of the Company, Wu Ba Superior Products Holdings Group Inc, Living Cycle Holding Ltd and Fifty-Eight Superior Product (HK) Technology Ltd is US Dollar. The VIE determined their functional currency to be Chinese Reminbi, or RMB based on the criteria of ASC 830, Foreign Currency Matters. The Company uses USD as its reporting currency.

The Company uses the average exchange rate for the year and the exchange rate at the balance sheet date to translate the operating results and financial position, respectively. The Company also uses the historical exchange rate at the initial transaction date to translate the capital and various reserve items. Translation differences are recorded in accumulated other comprehensive income (loss), a component of shareholders' deficits.

(e) *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand and cash in the bank. The Company cooperates with leading third-party online payment service providers in China, including Weixin Pay, QQ Wallet, Alipay and Gaohuitong, and enable buyers to make payments for their purchases easily and efficiently.

On March 31, 2015, China issued the Deposit Insurance Regulation, and went into effect on May 1, 2015. For Chinese depositors, the maximum payout amount per depositor per institution is RMB 500,000, including principal and interest, with unpaid amounts in excess of the maximum payout to be claimed from the liquidation of assets of the relevant financial institution.

(f) *Receivables*

Although the Company evaluated client credit worthiness, the Company provided an allowance for credit losses for the estimated loss when collection may no longer be reasonably assured. The Company assessed collectability of receivables based on a number of factors including analysis of creditworthiness, client's historical payment history, current and future economic conditions, and the length of time an individual receivable balance. As of December 31, 2020 and 2019, there was no allowance for credit losses.

(g) *Property and equipment*

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, as follows:

Category	Estimated useful life
Computer and office equipment	3 years
Leasehold improvements	Over the shorter of lease term or the estimated useful lives of the assets
Automobiles	10 years

Repair and maintenance costs are charged to expense as incurred, whereas the costs of renewals and betterments that extend the useful lives of property and equipment are capitalized as additions to the related assets. Retirements, sales and disposals of assets are recorded by removing the cost and accumulated depreciation from the asset and accumulated depreciation accounts with any resulting gain or loss reflected in the consolidated statements of comprehensive loss.

(h) Impairment of long-lived assets other than goodwill

The Company evaluates its long-lived assets, including fixed assets and intangible assets with finite lives, for impairment whenever events or changes in circumstances, such as a significant adverse change to market conditions that will impact the future use of the assets, indicate that the carrying amount of an asset may not be fully recoverable. When these events occur, the Company evaluates the recoverability of long-lived assets by comparing the carrying amount of the assets to the future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment loss based on the excess of the carrying amount of the assets over their fair value. Fair value is generally determined by discounting the cash flows expected to be generated by the assets, when the market prices are not readily available.

For all periods presented, there was no impairment of any of the Company's long-lived assets.

(i) Fair value of financial instruments

The Company's financial instruments include cash and cash equivalents, amount due from/to related parties, merchant deposits, payables to merchants. The carrying values of these financial instruments approximate their fair values due to their short-term maturities.

The Company applies ASC 820, Fair Value Measurements and Disclosures, ("ASC 820"). ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 requires disclosures to be provided on fair value measurement.

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2—Other inputs that are directly or indirectly observable in the marketplace.
- Level 3—Unobservable inputs which are supported by little or no market activity.

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach; and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

(j) Revenue recognition

The Company through its platform primarily offers marketplace services that enable third-party merchants to sell their products or services to consumers in China. Revenues from marketplace services consist of commission fees, membership fees and offline agency fees. Payments of services are generally received before services are provided.

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he Company adopted ASU 2014-09, Revenue from contracts with Customers (Topic 606). Under Topic 606, revenues are recognized when the promised products have been confirmed of delivery or services have been transferred to the consumers in amounts that reflect the consideration the customer expects to be entitled to in exchange for those products or services. Revenue is recognized net of value added taxes, which has been booked in "Other Tax Payables" in the balance sheets.

Commission fees

The Company charges commission fees to merchants for sales transactions completed on the Company's online marketplace, the Company is not primarily obligated to the consumers, does not take inventory risk and does not have latitude over pricing of the merchandise. Commission fees are determined as a percentage based on the value of merchandise or services being sold by the merchants. Revenues related to commissions are recognized in the consolidated statements of operations and comprehensive income (loss) at the time when transactions are determined to have been completed upon the consumers confirming the receipts of goods. Commission fees are not refundable if and when consumers return the merchandise to merchants.

Membership fees

The Company earned membership fees from its third-party vendors, who pay one-time fixed fee in exchange for (1) the right to sell merchandise in 58 Youpin app, (2) the right to receive member exclusive discounts for merchandise sold on the 58 Youpin app (3) access rights to the 58 Youpin app and its member-exclusive features, and (4) member exclusive online training. All of these items are regarded as one performance obligation once the merchandise listed in 58 Youpin app. The fee is not refundable.

Offline agency fees

The Company earned the one-time fixed fee from its offline agency in exchange for the right to purchase from online third party vendor with a discounted wholesale price through online platform and distribute the product offline to a group of customers. The revenue of offline agency fees is recognized when the contract is taken effective.

Revenue breakdown for the years ended December 31, 2021 is as follows:

	For the year Ended	
	December 31,	
	2021	% of net sales
Commission fees	\$ 0	0%
Membership fees	0	0%
Offline agency fees	33,568	100%
Others	0	0%
Total revenues	\$ 33,568	100%

(k) Cost of revenue

Cost of revenue consist primarily of costs associated with the operation of the online platform, such as bandwidths and server costs, equipment costs and unusual cancellation order fee attributable to the marketplace services.

(l) Sales and Marketing expense

Sales and Marketing expenses include the coupon cost for promotion, advertisement and other operating expenses associated with sales and marketing. Coupon cost accounts for a great portion of Sales and Marketing expenses.

In order to promote its online marketplace and attract more registered consumers, the Company at its own discretion issues coupons to consumers. These coupons can be used in future purchases of eligible merchandise offered on the Company's marketplace to reduce purchase price that are not specific to any merchant. As the consumers are required to make future purchases of the merchants' merchandise to redeem the coupons, the Company recognizes the amounts of redeemed coupons as marketing expenses when future purchases are made.

(m) Research and development expenses

Research and development expenses include payroll, employee benefits, and other operating expenses associated with research and platform development. Research and development expenses also include rent, depreciation, and other related expenses. To date, expenditures incurred between when the application has reached the development stage and when it is substantially complete and ready for its intended use have been inconsequential and, as a result, the Company did not capitalize any qualifying software development costs in the accompanying consolidated financial statements.

(n) Operating Leases

At the inception of each arrangement, the Company determine if the arrangement is a lease or contains an embedded lease and review the facts and circumstances of the arrangement to classify lease assets as operating or finance leases under Topic 842.

The Company leases office space and research and development server under operating lease agreements with initial lease terms up to March 31, 2022 in China. And some of these lease agreements have options to extend the lease terms for an additional period subject to mutual negotiations and agreements with the lessor. The Company considered all renewal options that were reasonably certain to be exercised and are considered in determining the lease term at the inception of the lease. The lease asset and liability has been adjusted accordingly upon Topic 842.

The Company measures lease liabilities based on the present value of the total remaining lease payments. To determine the present value of future minimum lease payments, we used the implicit rate when readily determinable. When the implicit rate is not available, the Company applies its incremental borrowing rate, which is the estimated rate the Company would be required to pay for a collateralized borrowing equal to the total lease payments over the term of the lease. The Company estimates its incremental borrowing rate based on an analysis of publicly traded debt securities of companies with credit and financial profiles similar to its own.

(o) Deferred revenue

Deferred revenue is the offline district agency membership fee for 5 years subscription since January 2019. Revenue will be recognized over the life the agreement.

Revenue recognized in the fiscal years ended December 31, 2021 and December 31, 2020, including deferred income at the beginning of each period, were \$33,568 and \$49,255, respectively.

(p) *Income taxes*

The Company followed the liability method of accounting for income taxes in accordance with ASC 740, Income Taxes, or ASC 740. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Company recorded a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in tax expense in the period that includes the enactment date of the change in tax rate.

The Company accounted for uncertainties in income taxes in accordance with ASC 740. Interest and penalties related to unrecognized tax benefit recognized in accordance with ASC 740 are classified in the consolidated statements of comprehensive loss as income tax expense.

British Virgin Island

Under the current tax laws of British Virgin Island, the Company and its subsidiaries are not subject to tax on their income or capital gains. In addition, upon of dividends by the Company to its shareholders, no British Virgin Island withholding tax will be imposed.

United States

Under the current tax laws of United States, the Company and its subsidiaries are not subject to tax on their income or capital gains. In addition, upon of dividends by the Company to its shareholders, no United States withholding tax will be imposed.

Hong Kong

Under the current tax laws of *Hong Kong*, the Company and its subsidiaries are not subject to tax on their income or capital gains. In addition, upon of dividends by the Company to its shareholders, no United States withholding tax will be imposed.

P.R China

The China Corporate Income Tax Law (“CIT Law”) became effective on January 1, 2008. Under the CIT Law, China’s dual tax system for domestic enterprises and foreign investment enterprises (“FIEs”) was effectively replaced by a unified system. The new law establishes a tax rate of 25% for most enterprises. The Company’s VIE through which the majority of our business in China is applicable to this tax rate

The following table reconciles the PRC statutory rates to the Company’s effective tax rate for the years ended December 31, 2021:

	2021	
PRC statutory rate	25.0%	%
Net operating losses for which no deferred tax assets was recognized	(25.0))
The Company's expense is out of limit than that of PRC statutory tax policy allowed	—	
Effective income tax rate	—	—

Income tax expense for the years ended December 31, 2021 was \$0.

(q) *Employee benefit expenses*

As stipulated by the regulations of the PRC, full-time employees of the Company are entitled to various government statutory employee benefit plans, including medical insurance, maternity insurance, workplace injury insurance, unemployment insurance and pension benefits through a PRC government-mandated multi-employer defined contribution plan. The Company is required to make contributions to the plan and accrues for these benefits based on certain percentages of the qualified employees' salaries.

(r) *Comprehensive income (loss)*

Comprehensive income (loss) is defined as the changes in equity of the Company during a period from transactions and other events and circumstances excluding transactions resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, Comprehensive Income, requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. For each of the periods presented, the Company’s comprehensive income (loss) includes net loss and foreign currency translation adjustment and is presented in the consolidated statements of operations and comprehensive income (loss).

(s) Loss per share

Basic loss per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, net loss is allocated between ordinary shares and other participating securities based on their participating rights. Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of shares issuable upon the exercise of share options using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

(t) Reclassification

Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

(u) Recent Adopted Accounting Standards

Effective on January 1, 2020, the Company adopted Accounting Standards Update (ASU) 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13") under a modified retrospective transition. This guidance replaces the existing "incurred loss" methodology, and introduces an expected loss approach using macroeconomic data, referred to as a current expected credit losses ("CECL") methodology. Under the incurred loss methodology, credit losses are only recognized when the losses are probable of having been incurred. The CECL methodology requires that the full amount of expected credit losses for the lifetime of the financial instrument be recorded at the time it is originated or acquired, considering relevant historical experience, current conditions and reasonable and supportable macroeconomic forecasts that affect the collectability of financial assets, and adjusted for changes in expected lifetime credit losses subsequently, which may require earlier recognition of credit losses.

The Company evaluated client credit worthiness, the Company provided an allowance for credit losses for the estimated loss when collection may no longer be reasonably assured. The Company assessed collectability of receivables based on a number of factors including analysis of creditworthiness, client's historical payment history, current and future economic conditions, and the length of time an individual receivable balance. In the beginning of 2021, the Company assessed and concluded that the adoption did not have a material impact on cumulative-effect adjustment to the opening balance of accumulated deficit in the consolidated financial statements.

As of December 31, 2021, there was no allowance of credit losses.

(v) *Recent accounting pronouncement*

Management has considered all recent accounting pronouncements issued. Management believes that these recent pronouncements will not have a material effect on the Company's financial statements.

Note 3. Acquisition

On March 20, 2017, Mr. Chen, Yanhuan (Mr. Chen), the Company's Chairman of the Board and Chief Executive Officer and Chief Financial Officer, incorporated Wuba Life Circle in Shenzhen, China. Mr. Chen in turn incorporated Fifty-Eight Superior Products (HK) Technology Ltd ("Fifty-Eight"), Living Cycle, and Shenchuang Dachen (Shenzhen) Technology Co., Ltd ("Dachen") and reorganized the these entities with Living Cycle being a holding entity with the other three non-controlling shareholders. As a result of the reorganization, Living Cycle owns 100% interest in Fifty-Eight and Fifty-Eight owns 100% interest in Dachen. Dachen controls 100% interest in Wu Ba Life Circle through VIE contractual arrangements as disclosed in Note 4. Such reorganization was completed on December 12, 2018.

On May 2, 2018, the Company underwent a change of control as a result of the transfer of 10,000,000 shares of Series A Preferred Stock (which voted on a 100 for one basis at the time of the change of control) from Custodian Ventures, LLC, to Mr. Chen.

On December 27, 2019, the Company consummated the transactions contemplated by the Share Exchange Agreement among the Company, Living Cycle, and the four shareholders of Living Cycle, pursuant to which the Company acquired all the ordinary shares of Living Cycle in exchange for the issuance of the Company's common stocks to the shareholders of Living Cycle in an aggregate of 100,000,000 shares. The transaction was closed on January 27, 2020. As a result, Living Cycle became a wholly-owned subsidiary of the Company.

The Company accounted for above transaction as a reverse acquisition under ASC Subtopic 805-40, based on the fact that the Living Cycle is an accounting acquirer, and the Company is the accounting acquiree. Meanwhile, the Living Cycle retrospectively consolidates the Company and as if it had been owned by Living Cycle since May 2, 2018, the date the Company was acquired by Mr. Chen, in accordance with ASC Subtopic 805-50.

Note 4. VIE Structure and Arrangements

The Company consolidates VIE in which it holds a variable interest and is the primary beneficiary through contractual agreements. The Company is the primary beneficiary because it has the power to direct activities that most significantly affect their economic performance and have the obligation to absorb the majority of their losses or benefits. The results of operations and financial position of the VIE are included in the Company's consolidated financial statements. The assets of the VIE are not available to the Company and its creditors do not have recourse to the Company. As of December 31, 2021 and 2020, assets that can only be used to settle obligations of the VIE were \$967,763 and \$1,299,806, respectively. The liabilities of the VIE for which creditors do not have recourse to the Company were \$6,582,636 and \$6,850,440, respectively.

In order to operate its eCommerce business in PRC and to comply with PRC laws and regulations that prohibit or restrict foreign ownership of companies that provides value-added services, the Company entered into a series of contractual agreements with the VIE: Wuba Life Circle (Shenzhen) Technology Co., Ltd. ("Wuba Life Circle"). These contractual agreements may not be terminated by the VIE, except with the consent of, or a material breach by us. Currently, the Company is still evaluating the overall operating strategy for eCommerce business and does not have plan to provide any funding to the VIE. Please refer to Note 9 for associated regulatory risks.

The key terms of the VIE Agreements are summarized as follows:

(a) *Loan agreements*

Pursuant to the relevant loan agreement, our respective wholly-owned entity has granted a loan to the relevant variable interest entity equity holders, which may only be used for the purpose of its business operation activities agreed by our wholly-owned entity. Our wholly-owned entity may require acceleration of repayment at its absolute discretion. When the variable interest entity equity holders make early repayment of the outstanding amount, our wholly-owned entity or a third-party designated by it may purchase the equity interests in the variable interest entity at a price equal to the outstanding amount of the loan, subject to any applicable PRC laws, rules and regulations. The variable interest entity equity holders undertake not to enter into any prohibited transactions in relation to the variable interest entity, including the transfer of any business, material assets, intellectual property rights or equity interests in the variable interest entity to any third-party. The

parties to the loan agreement for each of our material variable interest entities are the PRC citizens or entities that are shareholders of those entities (in respect of the existing VIE structure).

(b) Exclusive Consulting and Services Agreement

The WFOE has the exclusive right to provide technical service, marketing and management consulting service, financial support service and human resource support services to the VIE, and the VIE is required to take all commercially reasonable efforts to permit and facilitate the provision of the services by WFOE. As compensation for providing the services, WFOE is entitled to receive service fees from the VIE equivalent to the WFOE's cost plus 20-30% of such costs as calculated on accounting policies generally accepted in the PRC. The WFOE and the VIE agree to periodically review the service fee and make adjustments as deemed appropriate. The term of the Technical Services Agreement is perpetual and may only be terminated upon written consent of both parties.

(c) Equity Pledge Agreement

The VIE's Shareholders pledged all of their equity interests in VIE (the "Collateral") to WFOE, our wholly owned subsidiary in PRC, as security for the performance of the obligations to make all the required technical service fee payments pursuant to the Technical Services Agreement and for performance of the VIEs' Shareholders' obligation under the Call Option Agreement. The terms of the Equity Pledge Agreement expire upon satisfaction of all obligations under the Technical Services Agreement and Call Option Agreement.

(d) Exclusive Option Agreement

The VIEs' Shareholders granted an exclusive option to WFOE, or its designee, to purchase, at any time and from time to time, to the extent permitted under PRC law, all or any portion of the VIE's Shareholders' equity in the VIE. The exercise price of the option shall be determined by WFOE at its sole discretion, subject to any restrictions imposed by PRC law. The term of the agreement is until all of the equity interest in the VIE held by the VIEs'. Shareholders are transferred to WFOE, or its designee and may not be terminated by any part to the agreement without consent of the other parties.

(e) Power of Attorney

The VIE's Shareholders granted WFOE the irrevocable right, for the maximum period permitted by law, all of its voting rights as shareholders of the VIE. The VIE's Shareholders may not transfer any of its equity interest in the VIE to any party other than WFOE. The Power of Attorney agreements may not be terminated except until all of the equity in VIEs has been transferred to WFOE or its designee.

Note 5. Shareholder's equity

The Company has 750,000,000 shares of common stock authorized with a par value of \$0.001 per share as of December 31, 2018 and 2017. In addition, the Company has 100,000,000 preferred stock authorized with a par value of \$0.001 per share (the "Preferred Stock").

The Company has 10,000,000 shares of Series A Preferred Stock issued and outstanding. Each share of Series A Preferred Stock is convertible at any time at the option of the holder into the number of common shares determined by dividing the original issue price of the Series A Preferred Stock (\$0.001 per share) by the conversion price, which is \$0.00001 per share (i.e. 1 preferred share for 100 common shares). The shares are automatically convertible upon an initial public offering of the sale of the Common Stock, a liquidation or winding up of the Company or the date specified by the holders of a majority of the shares of Series A Preferred Stock. The holder of each share of Series A Preferred Stock shall have the right to vote for each share of Common Stock on an as converted basis.

On June 14, 2019, the Company issued 10,000,000 pre-split common stocks (1,000,000 post-split) for total proceeds of \$100,000. As of the date of the report released, the Company has not received the proceeds. Therefore, the Company booked the subscription receivable under equity statement.

On December 27, 2019, the Company effectuated a reverse stock split of our common stock of 10 for 1 in contemplation of the acquisition of Living Cycle described below. All share amounts set forth herein shall be post the reverse split (unless otherwise specified).

On December 27, 2019, the Company issued additional 100,000,000 shares of common stocks (post-split) due to the acquisition. Please see Note 3 for further details.

Note 6. Balance Sheet
Property and equipment

	December 31, 2021
Property and equipment, net:	
Computer and Software	\$ 1,337
Automobiles	230,021
Leasehold improvement	23,537
Total	<u>254,895</u>
Less: accumulated depreciation	<u>(92,852)</u>
Total Property and equipment, net	<u>\$ 162,043</u>

Note 7. Operating Lease

The Company leases office space and research and development server under operating lease agreements with initial lease terms up to March 31, 2022 in China. The Company determines if an arrangement is a lease at inception. As of December 31, 2021, the Company had no long-term leases that were classified as a financing lease. As of December 31, 2021, the Company did not have additional operating leases that have not yet commenced.

Total operating lease expenses for the year ended December 31, 2021 was \$194,061, recorded in operating expense on the consolidated statement of comprehensive income (loss).

As of December 31, 2021, the weighted average remaining lease term was 1.04 years and weighted average discount rate was 4.75% for the Company operating leases. As of December 31, 2021, the Company recognized operating lease ROU assets of \$102,266 and total lease liabilities \$102,266, including a current portion of \$102,266 for operating liabilities:

Note 8. Commitments and contingencies

The Company entered into various non-cancelable operating, office space leases. Future minimum lease payments under all non-cancelable operating leases with an initial term in excess of one year as of December 31, 2021 are as follows:

Maturities of lease liabilities as of December 31, 2021 are as follows:

Year	Amount
2022	109,430
2023	0
Total future lease payments	<u>109,430</u>
Less: Imputed interest	7,164
Total lease liability balance	<u>\$ 102,266</u>

The Company has no open litigation.

Note 9. Risks and uncertainties

(a) Concentration of credit risk

Financial instruments that potentially subject the Company to the concentration of credit risks consist of cash and cash equivalents. The maximum exposures of such assets to credit risk is their carrying amounts as of the balance sheet dates. The Company deposits its cash and cash equivalents located in jurisdictions where the subsidiaries are located. The Company believes that no significant credit risk exists as these financial institutions have high credit quality.

(b) Concentration of customer

Substantially all revenue was derived from customers located in China. There are no customers from whom revenue individually represent greater than 10% of the total revenue or the total purchases of the Company in any of the periods presented.

(c) VIE risk

The accompanying consolidated financial statements include the financial statements of the Company, its subsidiaries and the VIE. All significant inter-company transactions and balances between the Company, its subsidiaries and the VIE have been eliminated upon consolidation.

To comply with PRC laws and regulations, the Company provides substantially eCommerce platform service in China via its VIE, which hold critical operating licenses that enable the Company to do business in China. Substantially all of the Company's revenues, costs and net income (loss) in China are directly or indirectly generated through these VIE. The Company has signed various agreements with its VIE and legal shareholders of the VIE to allow the transfer of economic benefits from the VIE to the Company and to direct the activities of the VIE.

The Company believes that the contractual arrangements among its subsidiaries, the VIE and its shareholders are in compliance with the current PRC laws and legally enforceable. However, uncertainties in the interpretation and enforcement of the PRC laws, regulations and policies could limit the Company's ability to enforce these contractual arrangements. As a result, the Company may be unable to consolidate the VIE and its subsidiary in the consolidated financial statements. The Company's ability to control its VIE also depends on the authorization by the shareholders of the VIE to exercise voting rights on all matters requiring shareholders' approval in the VIE. The Company believes that the agreements on authorization to exercise shareholder's voting power are legally enforceable. In addition, if the legal structure and contractual arrangements with its VIE were found to be in violation of any future PRC laws and regulations, the Company may be subject to fines or other actions. The Company believes the possibility that it will no longer be able to control and consolidate its VIE as a result of the aforementioned risks and uncertainties is remote.

Additionally, the Company's China subsidiaries and VIE are subject to pre-approval from the State Administration of Foreign Exchange ("SAFE") for non-domestic financing. Additionally, the amount of cash available for transfer from the China subsidiaries and the VIE for use by the Company's non-China subsidiaries is also limited both by the liquidity needs of the subsidiaries in China and the restriction on foreign currency exchange by Chinese-government mandated limitations including currency exchange controls on certain transfers of funds outside of China.

Note 10: Related party transaction

(a) Related party list

Names of related parties	Relationship with the Company
Shenzhen Opelvi Trading Company	Company controlled by the director
Shenzhen Litchi Pay Technology Co., Ltd.	Company controlled by the director
Wuba You Pin (Shenzhen) Brand Chain Management Co., Ltd.	Company controlled by the founder
Wuba You Pin (Shenzhen) Information Technology Co., Ltd.	Company controlled by the founder
Wuba You Pin (Hong Kong) Technology Co., Ltd.	Company controlled by the founder
Shenzhen Qianhai Wu Ba Youpin Technology Co., Ltd.	Company controlled by the founder
Zhuji Qianhai Wu Ba Trading Company	Company controlled by the director
Chen, Yanlong	Shareholder
Chen, Yanhuan	Founder
Chen, Xiru	Director
Pang Chung Hon	Shareholder
Shenzhen Rococo Technology Co., Ltd.	Company controlled by the founder
Shenzhen Juda Supply Chain Co., Ltd.	Company controlled by the founder
Qinghua Media Guangdong Co., Ltd.	Company controlled by the founder

The Company had the following related party balances and transactions as of and for the years ended December 31, 2021. All related parties are controlled by either the founder or the directors of the Company and are providing professional services for the Company to

facilitate its operation of e-Commerce system. The balance due from related parties are loan in nature and bearing no interest. The borrowing balances due to related parties are short-term in nature, bearing no interest and due upon demand.

	As of December 31,	
	2021	
Shenzhen Opelvi Trading Company	\$	239,627
Shenzhen Litchi Pay Technology Co., Ltd.		3,063
Wuba You Pin (Shenzhen) Brand Chain Management Co., Ltd.		156,122
Zhuji Qianhai Wu Ba Trading Company		153
Shenzhen Qianhai Wuba Youpin Technology Co., Ltd.		—
Pang Chung Hon		14,536
Total	\$	413,501
Wuba You Pin (Shenzhen) Brand Chain Management Co., Ltd.	\$	2,246,342
Wuba You Pin (Shenzhen) Information Technology Co., Ltd.		133,270
Chen, Xiru		199,123
Shenzhen Rococo Technology Co., Ltd.		76,279
Chen, Yanlong		220,977
Chen, Yanhuan		1,128,563
Zhuji Qianhai Wuba Trading Company		383
Qinghua Media Guangdong Co., Ltd.		419,011
Other		23,479
Total	\$	4,447,427

Additionally, the cost of revenue-related parties was mainly consists the rental cost of the computer from Shenzhen Qianhai Wuba Youpin Technology Co., Ltd.