



**December 31, 2016**

**Annual Report**

**Company Information & Disclosure Statement for  
ECom Products Group**

**Submitted on:**

**March 24, 2017 (as of December 31, 2016)**

**Submitted pursuant to and in accordance with OTC Pink Basic Disclosure  
Guidelines**

**(v1.1 April 25, 2013)**

*Forward-Looking Statements: These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. At the time of this submission the Company lacks the financial capabilities to meet its financial obligations and its management expects to dilute the Company's shares to raise the necessary operating capital. Based upon industry standards the Company would be considered highly speculative and lacks any competitive advantage over its competition.*

## **OTC Pink Basic Disclosure Guidelines**

### **1) Name of the issuer and its predecessors (if any)**

ECom Products Group\*

\* Until November 11, 2016 the name of the Company was Discount Coupons Corporation, and traded under the symbol DCOU. The new trading symbol is EPGC, effective January 13, 2017.

### **2) Address of the issuer's principal executive offices**

#### Company Headquarters

Address: 100 2<sup>nd</sup> Ave South, Suite 903-S, St. Petersburg, Florida 33701  
Phone: 877-235-3665  
Email: Keith@shopepg.com  
Website(s): Ecomproductsgroup.com

### **3) Security Information**

Trading Symbol:	EPGC	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	27901A100	
Par or Stated Value:	\$0.00001 par value	
Total shares authorized:	100,000,000	as of December 31, 2016
Total shares outstanding:	6,619,801	as of December 31, 2016

Trading Symbol:	N/A	
Exact title and class of securities outstanding:	Preferred Stock	
CUSIP:	None	
Par or Stated Value:	\$0.00001 par value	
Total shares authorized:	2,000,000	as of: December 31, 2016
Total shares outstanding:	0	as of: December 31, 2016

#### Transfer Agent

Name: Cleartrust, LLC  
Address: 16540 Point Village Dr., Suite 210  
Address: Lutz, FL 33558  
Phone: 813-235-4490

Is the Transfer Agent registered under the Exchange Act      Yes: X   No: ☐

List any restrictions on the transfer of security:      None

Describe any trading suspension orders issued by the SEC in the past 12 months.      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:**

On June 2, 2016, the Board of Directors and Shareholders approved a 40 for 1 reverse stock split for common shares. In addition to the split the board set the authorized common shares at 100,000,000. The reverse received regulatory approvals and became effective on January 13, 2017.

**4) Issuance History**

***2016 stock transactions***

During the year ended December 31, 2016:

- the Company issued 2,976,223 shares of common stock in exchange for services to consultants. The shares were valued at \$0.027 per share and are being expensed over the service periods. The aggregate value of the shares issued for services was \$80,103;
- the Company issued 669,821 shares of common stock in exchange for the conversion of loans with a face value of \$140,662.

These shares were not registered in any jurisdictions where they were issued and were issued in reliance on an exemption from registration under Section 4(a) (2) or 3(a) (9) of the Securities Act. The certificates representing these shares contained a legend stating that the shares were not registered under the Securities Act and referred to the restrictions on transferability and sale of the shares under the Securities Act.

***2015 stock transactions***

During the year ended December 31, 2015:

- The Company issued 285,000 shares of common stock in exchange for business development services to consultants. The shares issued to consultants were initially valued at the market price on the date of the grant with the value adjusted periodically if material and are being expensed over the service periods. The aggregate value of the shares issued for services was \$329,750;
- The Company issued 1,364,513 common shares as part of the Vacation Travel share exchange on September 8, 2015;
- The Company issued 123,877 shares of common stock in exchange for the conversion of loans with a face value of \$203,000 plus accrued interest of \$44,755;
- The Company issued 49,379 shares of common stock in exchange for an accounts payable balance of \$98,758;
- The Company issued 4,861 shares of common stock as a result of the exercise of warrants

These shares were not registered in any jurisdictions where they were issued and were issued in reliance on an exemption from registration under Section 4(a) (2) or 3(a) (9) of the Securities Act. The certificates representing these shares contained a legend stating that the shares were not registered under the Securities Act and referred to the restrictions on transferability and sale of the shares under the Securities Act.

**5) Financial Statements**

The Financial Statement for the years ended December 31, 2016 & 2015 have been attached as an addendum to this OTC Information and Disclosure Statement as of December 31, 2016. The share amounts for both fiscal years have been re-stated to reflect the 40 for 1 reverse stock split as disclosed in Section 3.

The Company's Financial Statements are not audited, and accordingly, an Attorney Letter will be filed via [www.OTCIQ.com](http://www.OTCIQ.com).

## 6) Describe the Issuer's Business, Products and Services

### Description of the issuer's business operations;

ECom Products Group is an Internet marketing & technology company that operates in two segments, consumer sales ecommerce site ownership & management and full service digital marketing agency services. The Company currently holds several e-commerce assets including, Pricechoppa.com, JustDeals.com, GoCharleston.com, and Tropicalreservations.com. Merchants market discounted goods and services to our members through these various properties. Merchants are provided a Cost Per Acquisition (CPA) type marketing opportunity where they pay a set fee per voucher sold. Consumers purchase discounted vouchers, typically at 50% off retail pricing, which are then redeemed at either the merchants website for products or a local business or services. The Company's long-term plan is to create a profitable global mobile shopping destination by acquiring established quality e-commerce businesses, unifying their platforms, plugging directly into China for product sourcing, and propelling organic growth via propriety online customer acquisition strategies & partnerships.

The agency segment provides businesses with a full range of digital and traditional marketing services including, branding, interactive, advertising, business development, public relations, market research, analytics, photography and creative strategies. Managed interactive marketing channels include social media, search engine optimization, website concepts and development, graphic design, email marketing, social media marketing and search engine marketing.

**Date and State (or Jurisdiction) of Incorporation:** Florida Corporation – August 16, 2010

**Primary and secondary SIC Codes:** 7374 / 7311

**Fiscal year end date:** December 31st

## 7) Describe the Issuer's Facilities

The Company leases 1300 sqft of office space for its Corporate Headquarters in St. Petersburg, Florida under a 5-year lease agreement.

The Company owns primarily intangible assets including various ecommerce websites and domains (as outlined in Section 6) and various customer/consumer email lists totaling over 5,000,000 emails and over 750,000 active subscribers.

On November 17, 2015 the Company entered into an Agreement with ARJ Ventures, LLC for the lease and subsequent purchase of the domain name [www.justdeals.com](http://www.justdeals.com) and the corresponding customer email list of approximately 450,000 subscribers. Under the Agreement, the overall value of the purchase will be determined at a future date based on the revenues generated during 2016. The Company will operate the ecommerce website under a lease arrangement for 2016 and pay the Seller 2% of gross revenues on a monthly basis.

## 8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

<u>Name</u>	<u>Age</u>	<u>Positions &amp; Offices to be Held</u>
Andrew Waters	52	Executive Chairman
Keith Holloway	48	Chief Executive Officer, Chief Financial Officer
Douglas Bauer	55	Director

**Mr. Waters** joined the Company as Executive Chairman in December of 2016. He is an investment banker and Chairman of First Capital Partners. He has 25 years of consumer and logistics experience in China and led a cornerstone investment in one of China's largest pre-paid card network and China logistics platforms.

**Mr. Holloway** is the current Chief Executive Officer & Chief Financial Officer of the Company. Prior to joining EPG, he was with Lamar Advertising, a publicly traded media company, for 15 years being responsible of expansion of existing markets and entry into new markets.

**Mr. Bauer** has served in a variety of industries including manufacturing, service, and technology development. In 2009 he co-founded the daily-deal start up CrowdSavings.com, serving as CFO, and then transitioned to CFO of the acquiring Company and was responsible for over 25 e-commerce acquisitions during that period. Prior to CrowdSavings, Mr. Bauer served as CFO of Powerlinx, Inc. through 2008, a publicly traded power-line technology developer and manufacturer. He began his career at Price Waterhouse Cooper.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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

C. Beneficial Shareholders. Security Ownership of Certain Beneficial Owners and Management

The following table set forth certain information, as of December 31, 2016 with respect to the beneficial ownership of our outstanding common stock by (i) any holder of more than five percent, (ii) each of our executive officers and directors, and (iii) our directors and executive officers as a group.

Unless otherwise indicated, the business address of each person listed is in care of ECom Products Group, 100 2<sup>nd</sup> Ave South, Suite 903-S, St. Petersburg, Florida 33701. The information provided herein is based upon a list of our shareholders and our records with respect to the ownership of warrants and options to purchase securities in our company. The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on that date and all shares of our common stock issuable to that holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by that person at that date which are exercisable within 60 days of that date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to

the extent that power may be shared with a spouse.

## COMMON STOCK

<b>Name of Stockholder</b>	<b>Amount &amp; Nature of Beneficial Ownership</b>	<b>Percentage of Class (1)</b>
Andrew Waters (2)	175,748	2.65%
Keith Holloway (3)	1,173,170	17.72%
Douglas Bauer (4)	188,665	2.85%
Officer & Director Total	1,537,583	23.22%
Carl Dilley (5)	656,144	9.92%
Heather Dilley (6)	438,775	6.63%
Ken Royston (7)	392,386	5.93%
Brian Pentecost (8)	459,522	6.94%
Beneficial Owners Total	1,946,827	29.42%
Officers, Directors & Beneficial Owner Totals	3,484,410	52.64%

(1) Based on 6,619,801 shares of common stock outstanding

(2) Mr. Waters is our Chief Executive Officer

(3) Mr. Holloway is our Chief Operating Officer & Chief Financial Officer

(4) Mr. Bauer serves as a Director of the Company

(5) Mr. Dilley is not an employee or Director of the Company

(6) Mrs. Dilley is not an employee or Director of the Company

(7) Mr. Royston is not an employee or Director of the Company

(8) Mr. Pentecost is not an employee or Director of the Company

## 9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

### Legal Counsel

Name: Arden Anderson  
Firm: Austin Legal Group, APC  
Address 1: 3990 Old Town Ave, Suite A-112  
Address 2: San Diego, CA 92110  
Phone: 619 924 9600  
Email: arden@austinlegalgroup.com

Accountant or Auditor

Name: Douglas Bauer  
Firm: ECom Products Group  
Address 1: 100 2<sup>nd</sup> Ave South, Suite 903-S  
Address 2: St. Petersburg, FL 33701  
Phone: 813 760 2944  
Email: drbauer61@gmail.com

Investor Relations Consultant

Name: Stan F. Pearson II  
Firm: ECom Products Group  
Address 1: 100 2<sup>nd</sup> Ave South, Suite 903-S  
Address 2: St. Petersburg, FL 33701  
Phone: 203 259 0560  
Email: Stan@ShopEPG.com

**10) Issuer Certification**

I, Keith Holloway certify that:

1. I have reviewed this Annual Disclosure Statement for the Year Ended December 31, 2016 of ECom Products Group;
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.

March 24, 2017

/s/ Keith Holloway

Keith Holloway, Chief Executive Officer

I, Andrew Waters certify that:

1. I have reviewed this Annual Disclosure Statement for the Year Ended December 31, 2016 of ECom Products Group;
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.

March 24, 2017

/s/ Andrew Waters

Andrew Waters, Executive Chairman



E-COM PRODUCTS GROUP

**ADDENDUM  
PAGES 8 – 26**

**ECOM PRODUCTS GROUP**

**ANNUAL FINANCIAL STATEMENTS  
AND RELATED FOOTNOTES**

**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**



## TABLE OF CONTENTS

	<u>Page</u>
<b>PART I FINANCIAL INFORMATION</b>	
Item 1. Financial Statements:	
Balance Sheets at December 31, 2016 (Unaudited) and December 31, 2015 (Unaudited)	1
Statements of Operations for the years ended December 31, 2016 (Unaudited) and December 31, 2015 (Unaudited)	4
Statements of Stockholders' Equity for the years ended December 31, 2016 (Unaudited) and December 31, 2015 (Unaudited)	5
Statements of Cash Flows for the years ended December 31, 2016 (Unaudited) and December 31, 2015 (Unaudited)	7
Notes to financial statements	8

**ECOM PRODUCTS GROUP**  
**Consolidated Balance Sheets**

	<b>December 31, 2016</b>	<b>December 31, 2015</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 4,465	\$ 4,069
Accounts receivable	19,872	15,055
Inventory	20,293	7,315
Deposits and pre-pays	22,051	21,595
<b>Total current assets</b>	<b>66,681</b>	<b>48,034</b>
Property and intangible assets, net of accumulated depreciation	133,303	231,249
Goodwill	114,242	114,242
Other assets	-	7,016
<b>Total assets</b>	<b>\$ 314,226</b>	<b>\$ 400,541</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 280,165	\$ 242,140
Accrued expenses	521,852	365,626
Convertible bridge loans	45,000	115,000
Convertible notes payable	221,240	126,023
<b>Total current liabilities</b>	<b>1,068,257</b>	<b>848,789</b>
<b>Stockholders' equity (deficit)</b>		
Preferred stock, \$0.00001 par value, 2,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$0.00001 par value; 100,000,000 shares authorized, 6,619,178 and 2,973,134 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	1,225	1,189
Additional paid-in capital	12,088,982	11,868,253
Deficit accumulated during the development stage	(12,894,238)	(12,317,690)
Total stockholders' equity (deficit)	(754,031)	(448,248)
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 314,226</b>	<b>\$ 400,541</b>

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

**ECOM PRODUCTS GROUP**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	<b>For the Years Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>		
Third-party revenue	\$ 118,611	\$ 40,281
Service & other revenue	207,256	144,065
Direct revenues	5,382	9,651
Sales refunds	-	(2,140)
<b>Total revenue</b>	<b>331,249</b>	<b>191,857</b>
Cost of sales	(924)	(458)
<b>Gross profit</b>	<b>330,325</b>	<b>191,399</b>
<b>Operating expenses:</b>		
Professional fees	426,906	418,962
Selling	298,273	127,302
General and administrative	139,906	181,686
<b>Total expenses</b>	<b>865,085</b>	<b>727,950</b>
<b>Net operating (loss)</b>	<b>(534,760)</b>	<b>(536,551)</b>
<b>Other income (expense):</b>		
Interest expense	(41,833)	(66,353)
Gain on extinguishment of debt	50,000	41,791
Other income	45	810
Impairment of goodwill	-	(47,384)
<b>Total other income (expense)</b>	<b>8,212</b>	<b>(71,136)</b>
<b>Net (loss)</b>	<b>\$ (526,548)</b>	<b>\$ (607,687)</b>
<b>Net loss per share, basic and fully diluted</b>	<b>\$ (0.17)</b>	<b>\$ (0.38)</b>
<b>Weighted average number of common shares outstanding, basic and fully diluted</b>	<b>3,411,623</b>	<b>1,605,279</b>

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

**ECOM PRODUCTS GROUP**  
**Consolidated Statement of Changes in Stockholders' Equity (Deficit)**  
**For the Years Ended December 31, 2016 and 2015**

	<u>Common Stock</u>		<u>Treasury Stock</u>		<u>Additional</u>	<u>Deficit</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Accumulated</u>	<u>Total</u>
					<u>Capital</u>	<u>During</u>	
						<u>Development</u>	
						<u>Stage</u>	
<b>Balance, January 1, 2015</b>	1,145,504	458	-	-	10,983,920	(11,710,003)	(725,625)
Amortization of stock issued for future services			-	-	46,271	-	46,271
Warrants and options exercised	4,861	2	-	-	1,942	-	1,944
Common stock issued to non- employees in exchange for services	285,000	114	-	-	329,636	-	329,750
Common stock issued for business combinations	1,364,513	545			160,039		160,583
Notes and accrued interest converted to common stock	173,256	70			346,445		346,515
Net (loss)	-	-	-	-	-	(607,687)	(607,687)
<b>Balance, December 31, 2015</b>	<u>2,973,134</u>	<u>\$ 1,189</u>	<u>-</u>	<u>-</u>	<u>\$ 11,868,253</u>	<u>\$ (12,317,690)</u>	<u>\$ (448,248)</u>
Common stock issued to non- employees in exchange for services	2,976,223	30	-	-	80,074	-	80,104
Notes and accrued interest converted to common stock	669,821	6			140,655		140,661

Net (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(576,548)</u>	<u>(576,548)</u>
<b>Balance, December 31, 2016</b>	<u>6,619,178</u>	<u>\$ 1,225</u>	<u>-</u>	<u>-</u>	<u>\$ 12,088,982</u>	<u>\$ (12,894,238)</u>	<u>\$ (804,031)</u>

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

**ECOM PRODUCTS GROUP**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	<b>For the Years Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash flows from operations</b>		
<b>Net (loss)</b>	\$ (526,548)	\$ (607,687)
Adjustment to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	97,946	55,515
Stock, options and warrants issued for services	178,830	428,796
Interest expense	16,963	73,521
Gain on extinguishment of debt	50,000	(41,791)
Loss on modification of debt	-	(41,791)
Impairment of goodwill	-	47,384
Changes in operating assets and liabilities:		
Accounts receivable	(4,817)	(3,329)
Inventory	(12,978)	(7,315)
Deposits and prepaid expenses	(456)	(1,864)
Loans to shareholders	7,016	(7,016)
Accounts payable and accrued expenses	194,440	(21,592)
<b>Net cash used for operating activities</b>	<u>396</u>	<u>(12,214)</u>
<b>Net increase (decrease) in cash</b>	396	(12,214)
Cash, beginning of period	4,069	16,283
<b>Cash, end of period</b>	<u>\$ 4,465</u>	<u>\$ 4,069</u>
<b>Non-cash investing and financing transactions:</b>		
Common stock issued for asset acquisitions	\$ -	\$ 1,091,610
Notes payable converted into common stock	<u>\$ 140,662</u>	<u>\$ 346,513</u>

**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**1. Nature of operations**

ECOM PRODUCTS GROUP (the “Company”) is an Internet marketing & technology company that operates in two segments; consumer sales ecommerce site ownership & management and full service digital marketing agency services. The Company currently holds several e-commerce assets including, Pricechoppa.com, JustDeals.com, GoCharleston.com, and Tropicalreservations.com. Merchants market discounted goods and services to our members through these various properties. Merchants are provided a Cost Per Acquisition (CPA) type marketing opportunity where they pay a set fee per voucher sold. Consumers purchase discounted vouchers, typically at 50% off retail pricing, which are then redeemed at either the merchants website for products or a local business or services. The Company’s long-term plan is to create a profitable global mobile shopping destination by acquiring established quality e-commerce businesses, unifying their platforms, plugging directly into China for product sourcing, and propelling organic growth via propriety online customer acquisition strategies & partnerships.

The agency segment provides businesses with a full range of digital and traditional marketing services including, branding, interactive, advertising, business development, public relations, market research, analytics, photography and creative strategies. Managed interactive marketing channels include social media, search engine optimization, website concepts and development, graphic design, email marketing, social media marketing and search engine marketing

The Company is a Florida corporation and was organized in August, 2010. Through December, 2016, the Company has been primarily engaged in developing its website and a base of merchant voucher offerings for consumer consumption, recruiting personnel, raising capital, and identifying similar companies for acquisition.

**2. Going concern**

The accompanying financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Since inception, the Company has primarily devoted its efforts to the development and implementation of its web-based business. Operations have been funded through the private placement of equity securities and debt financing. These successful funding efforts have allowed the Company to reach its current state of development despite incurring losses typical with an emerging technology company. At December 31, 2016 and 2015, the Company had \$4,465 and \$4,069 in cash, respectively, and \$1,001,576 and \$800,755 in negative working capital, respectively. Additionally, for the years ended December 31, 2016 and 2015, the Company incurred net losses of \$526,548 and \$607,687, respectively.

Management anticipates incurring additional losses prior to reaching a positive operating cash flow and intends to finance its operations through additional notes payable and equity funding. Significant additional funding is needed. The Company is in the process of raising capital but there are no assurances such funding will be available.

If adequate funding cannot be obtained, the Company may be unable to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**3. Summary of significant accounting policies**

*Basis of Presentation*

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

*Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the related disclosures. Such estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's significant accounting estimates include accounting for stock based compensation and the valuation and impairment of intangible assets and goodwill.

*Cash and Cash Equivalents*

The Company considers short-term interest bearing investments with initial maturities of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk.

*Computer Equipment and Software*

Computer equipment and software are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of 3 to 5 years.

*Long-Lived Assets*

In accordance with FASB ASC Topic 360 "Property, Plant, and Equipment," the Company records impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. There were no impairment charges during the years ended December 31, 2016 and 2015.

*Valuation of Investments in Securities at Fair Value – Definition and Hierarchy*

In accordance with GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various valuation approaches. In accordance with GAAP, a fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

*Level 1* – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.



**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**3. Summary of significant accounting policies (continued)**

*Level 2* - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

*Level 3* - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

*Valuation of Investments in Securities at Fair Value – Definition and Hierarchy (continued)*

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates. The carrying amount of our financial assets and liabilities approximates fair value.

*Revenue Recognition*

***Third Party Revenue***

Third party revenue arises from transactions in which we are acting as a third party marketing agent and is recognized as the net amount we retain from the sale of Coupons after paying an agreed upon portion of the purchase price to the merchant, excluding applicable taxes and net of estimated refunds for which the merchant's share is recoverable.

**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**3. Summary of significant accounting policies (continued)**

*Service & Other Revenue*

Service & Other revenue arises from transactions generated under service agreements for website management & marketing services, commissions, and advertising revenue; and consists of the gross amount we receive from customers under these agreements excluding applicable taxes.

*Direct Revenue*

Direct revenue arises from transactions in which we are the merchant of record and consists of the gross amount we receive from the customer, excluding applicable taxes and net of estimated refunds.

*Income Taxes*

The Company accounts for income taxes in accordance with FASB ASC Topic 740 “*Income Taxes*,” which requires accounting for deferred income taxes under the asset and liability method. Deferred income tax asset and liabilities are computed for the differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

The determination of the Company’s provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Company’s financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Company reassesses these probabilities and records any changes in the financial statements as appropriate.

*Advertising and Promotion Costs*

Advertising and promotion costs are expensed as incurred. Advertising and promotion expense was \$17,955 and \$37,307 for the years ended December 31, 2016 and 2015, respectively.

*Receivables and Credit Policies*

The Company’s accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from invoice date. Accounts receivable are stated at the amount billed to the customer, less management’s best estimate of an allowance for doubtful accounts and an estimate for sales returns. No interest is applied to past due accounts. Payments of accounts receivable are allocated to the specific invoices identified on the customer’s remittance advice or, if unspecified, are applied to the earliest unpaid invoice.

**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**3. Summary of significant accounting policies (continued)**

*Loss Per Common Share*

The Company complies with the accounting and disclosure requirements of FASB ASC 260, “*Earnings Per Share*.” Basic earnings per common share (“EPS”) calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation. The Company’s common stock equivalents are as follows:

	<b>For The Years Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
Common shares indexed to stock options	1,934,822	1,934,822
Common shares indexed to warrants	4,439,696	4,439,696
Common shares indexed to convertible instruments	539,468	342,600
	<u>6,913,986</u>	<u>6,717,118</u>

*Stock-Based Compensation*

The Company complies with FASB ASC Topic 718 “*Compensation – Stock Compensation*,” which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity’s equity instruments or that may be settled by the issuance of those equity instruments. FASB ASC Topic 718 focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions and requires an entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). No compensation costs are recognized for equity instruments for which employees do not render the requisite service. The grant-date fair value of employee share options and similar instruments is estimated using option-pricing models adjusted for the unique characteristics of those instruments. If an equity award is modified after the grant date, incremental compensation cost will be recognized in an amount equal to the excess of the fair value of the modified award over the fair value of the original award immediately before the modification. The Company recorded compensation expense of \$80,103 and \$376,021 during the years ended December 31, 2016 and 2015.

*Nonemployee Awards*

The fair value of equity instruments issued to a nonemployee is measured by using the stock price and other measurement assumptions as of the earlier date when either: (i) a commitment for performance by the nonemployee has been reached; or (ii) the counterparty’s performance is complete. Expenses related to non-employee awards are generally recognized in the same period as the Company incurs the related liability for goods and services received. The Company recorded compensation expense related to consulting and other professional services of \$80,103 and \$376,021 during the years ended December 31, 2016 and 2015, respectively.

**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**3. Summary of significant accounting policies (continued)**

*Recently issued Accounting Pronouncements*

The Company does not believe that any recently issued or proposed accounting pronouncements not yet adopted will have a material impact on the financial statements.

**4. Equipment and software**

Computer equipment and intangible assets, net, consisted of the following:

	<b>December 31, 2016</b>	<b>December 31, 2015</b>
Office equipment	\$ 896	\$ 896
Purchased mailing lists and trademarks	305,714	305,714
Software	36,254	36,254
	<u>342,864</u>	<u>342,864</u>
Less: accumulated depreciation and amortization	(209,561)	(111,615)
	<u>\$ 133,303</u>	<u>\$ 231,249</u>

Depreciation and amortization expense was \$97,946 and \$55,515 for the years ended December 31, 2016 and 2015, respectively.

**5. Business Combinations**

*Vacation Travel Corp.*

On September 8, 2015, we executed a Share Exchange Agreement (the “Agreement”) with Vacation Travel Corp. (“Vacation Travel”) which provided for the exchange of 1,364,513 of our new issued common stock shares for 15,332,002 common stock shares of Vacation Travel’s shareholders representing all of Vacation Travel’s outstanding shares. As a result of the share exchange, Vacation Travel’s shareholders and our shareholders each own 50% of our outstanding common stock shares.

The results of operations for Vacation Travel are included in the Statements of Operations from the date of acquisition. In connection with these transactions, the consideration paid, the assets acquired, and the liabilities assumed were recorded at fair value on the date of acquisition, as summarized in the following table.

**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**5. Business Combinations (continued)**

	<b>Vacation Travel</b>
<b>Fair value of total consideration paid:</b>	
Purchase price (1)	\$ 160,584
Less: Book value of net assets acquired	71,530
Purchase differential	232,114
<b>Allocation of purchase differential:</b>	
Intangible assets	232,114
<b>Goodwill resulting from transaction</b>	\$ --

(1) The purchase price was based on the fair value of the intangible assets acquired in the exchange.

Our unaudited pro forma results of operations for the year ended December 31, 2016 as if the above acquisition had occurred on January 1, 2016 is as follows. The pro forma information is not indicative of results that would have occurred or which may occur in the future:

<b>REVENUE</b>	<b>\$ 245,027</b>
<b>NET LOSS</b>	<b>\$ (506,580)</b>
<b>NET LOSS PER SHARE</b>	<b>\$ (0.01)</b>

***Goodwill Impairment***

During the years ended December 31, 2016 and December 31, 2015 the Company determined that goodwill associated with some of its 2014 acquisitions required an impairment charge. As of a result the Company recorded impairment charges of \$47,384 and \$260,000 for the years ended December 31, 2016 and 2015, respectively.

**6. Convertible bridge loans**

During the years ended December 31, 2013 and 2012, the Company issued convertible bridge loans to investors ("Bridge Loans"). The Bridge Loans have a coupon rate of 10% per annum and have an original maturity date of August 31, 2013. The debt holders have the option to convert the Bridge Loans into common stock at a fixed conversion price of \$0.05 per share.

During the year ended December 31, 2015, \$3,000 of the principal was repaid. On September 1, 2016, \$1,000 of principal was converted into 24,027 shares of common stock. On December 31, 2016, one of the investors agreed to exchange \$70,000 of principal and \$28,076 of accrued interest for a new note. The details of this transaction are illustrated in Note 7. As of December 31, 2016 and December 31, 2015 the outstanding principal balance of the remaining convertible Bridge Loans amounted to \$45,000 and \$116,000, respectively. As of December 31, 2016 the

**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**6. Convertible bridge loans (continued)**

outstanding Bridge Loans are in default. Interest expense on the Bridge Loans for the year ended December 31, 2016 and 2015 amounted to \$11,532, and \$11,567, respectively. Accrued interest related to these loans amounted to \$17,889 and \$34,434 as of December 31, 2016 and December 31, 2015, respectively. As of December 31, 2016 and December 31, 2015, \$10,000 of the outstanding loans was from a related party.

**7. Convertible notes payable**

The following table illustrates the carrying values for the convertible notes payable as of December 31, 2016 and December 31, 2015:

Convertible Notes Payable	December 31, 2016	December 31, 2015
Investor Loans issued in 2010 and 2011	\$ -	\$ 50,000
Investor Loans issued in 2015		30,000
Investor Loans issued in 2016	210,189	-
Related Party Loans	11,051	46,023
Carrying value	\$ 221,240	\$ 126,023

Accrued interest related to convertible notes payable amounted to \$6,100.82 and \$20,692 as of December 31, 2016 and December 31, 2015, respectively.

***Investor loans issued in 2010 and 2011***

Between September 27, 2010 and July 21, 2011, the Company issued notes payable to third party investors with an aggregate face value of \$447,500 ("Investor Loans"). As of December 31, 2016 and 2015, all of these loans have either been repaid, exchanged or converted into common stock. Some of these conversions took place during the year ended December 31, 2015 and is described in the foregoing.

***Modification and conversion of investor loans in 2015***

On August 11, 2015, Investor Loan holders with an aggregate principal balance of \$85,000 agreed to an amendment that modified the conversion option as an inducement from \$0.15 per share to \$0.05 per shares. This amendment did not result in an inducement charge. The \$85,000 plus \$29,451 in accrued interest was converted into 2,289,016 shares of common stock on September 1, 2015.

On August 11, 2015, an Investor Loan holder with a principal balance of \$7,000 agreed to an amendment that modified the conversion option as an inducement from \$0.50 per share to \$0.05 per shares. This amendment did not result in an inducement charge. The \$7,000 plus \$2,171 in accrued interest was converted into 183,415 shares of common stock on September 1, 2015.

In addition to the conversions mentioned above, a principal payment in the amount of \$3,000 was made during the year ended December 31, 2015.

**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**7. Convertible Notes Payable (continued)**

***Loans issued in 2015***

During the year ended December 31, 2016, the Company issued \$30,000 of convertible promissory notes to investors. The Notes accrue interest at the rate of 10% per annum and have an original maturity date of one year. The debt holders have the option to convert the Notes into common stock at a fixed conversion price of \$0.21 per share.

The Company evaluated the terms and conditions of the Loans under the guidance of ASC 815, *Derivatives and Hedging*. The conversion feature met the definition of conventional convertible for purposes of applying the conventional convertible exemption. The definition of conventional contemplates a fixed number of shares being issuable under the arrangement. The instruments are convertible into a fixed number of shares and there are no down round anti-dilution protection features contained in the contracts. The Company also determined that there was not a beneficial conversion feature. During the year ended December 31, 2016, the principal amount of \$30,000 was converted into 142,858 shares of common stock.

***Loans issued in 2016***

During the year ended December 31, 2016, the Company issued \$120,000 of convertible promissory notes to investors. The Notes accrue interest at the rate of 10% per annum and have an original maturity date of one year. The debt holders have the option to convert the Notes into common stock at a fixed conversion price of \$0.21 per share.

The Company evaluated the terms and conditions of the Loans under the guidance of ASC 815, *Derivatives and Hedging*. The conversion feature met the definition of conventional convertible for purposes of applying the conventional convertible exemption. The definition of conventional contemplates a fixed number of shares being issuable under the arrangement. The instruments are convertible into a fixed number of shares and there are no down round anti-dilution protection features contained in the contracts. The Company also determined that there was not a beneficial conversion feature. During the year ended December 31, 2016, \$5,000 of the principal was repaid and \$50,000 of principal was converted into 238,096 shares of common stock. During the year ended December 31, 2016, investors issued in 2015 in the amount of \$30,000 were converted into 142,858 shares of common stock.

***Debt Exchange in 2016***

On December 31, 2016 the Company completed an Agreement with one of its primary lenders to modify and restructure 3 existing Notes. Under the Agreement, the Company issued new Convertible Note in the amount of \$120,189. The Note bears an annual interest rate of 8% and is due December 31, 2018. The new Convertible Note replaces two existing 2010 & 2013 Notes with an aggregate principal balance of \$70,000 and adds as principal \$50,189 of accrued interest through December 31, 2016. In addition, the lender forgave the total \$50,000 principal balance of a 2012 Note. As a result of this transaction, the Company recorded a gain on extinguishment of debt in the amount of \$50,000.

***Related Party Loans***

During February 2014, the Company's wholly owned subsidiary Vacation Travel Corp. issued an aggregate \$46,023 in convertible notes to related parties. Each note bears interest at 10% and matures two years after the date of issuance. The note holders have the option to convert the notes into common stock of Vacation Travel at a fixed conversion price of \$.05 per share. As of December 31, 2016 and December 31, 2015 the outstanding balances of

the notes are \$11,051 and \$46,023, respectively.

## **9. Capital and treasury stock:**

On June 2, 2016, the Board of Directors and Shareholders approved a 40 for 1 reverse stock split for common shares. In addition to the split the board set the authorized common shares at 100,000,000. All share amounts for December 31, 2015 & 2016 have been restated to reflect the stock split.

### ***2016 stock transactions***

During the year ended December 31, 2016:

- the Company issued 2,976,223 shares of common stock in exchange for services to consultants. The shares were valued at \$0.027 per share and are being expensed over the service periods. The aggregate value of the shares issued for services was \$80,103;
- the Company issued 669,821 shares of common stock in exchange for the conversion of loans with a face value of \$140,662.

### ***2015 stock transactions***

During the year ended December 31, 2015:

- the Company issued 285,000 shares of common stock in exchange for services to consultants. The shares issued to consultants were initially valued at the market price on the date of the grant with the value adjusted periodically if material and are being expensed over the service periods. The aggregate value of the shares issued for services was \$329,750;
- the Company issued 1,364,513 common shares as part of the Vacation Travel share exchange on October 1, 2015;
- the Company issued 123,877 shares of common stock in exchange for the conversion of loans with a face value of \$203,000 plus accrued interest of \$44,755;
- the Company issued 49,379 shares of common stock in exchange for an accounts payable balance of \$98,758;
- the Company issued 4,861 shares of common stock as a result of the exercise of warrants



**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**10. Stock options**

At December 31, 2016 and December 31, 2015, 1,934,822 and 1,934,822 options were exercisable at a weighted average price of approximately \$0.29 and \$0.29, respectively.

The following is a summary of all option activity through December 31, 2016:

	<b>Number of Options Outstanding</b>	<b>Weighted Average Price</b>	<b>Average Remaining Term (in years)</b>
Options outstanding at December 31, 2015	1,934,822	0.29	3.5
Granted in 2016	-	-	-
Exercised	-	-	-
Options outstanding at December 31, 2016	1,934,822	\$ 0.29	3.5
Exercisable at December 31, 2016	1,934,822	\$ 0.29	3.5

<b>Options Outstanding and Exercisable</b>			
<b>Exercise Price</b>	<b>Number Outstanding at December 31, 2016</b>	<b>Weighted Average Remaining Contractual Life</b>	<b>Weighted Average Exercise Price</b>
\$ 0.08	397,322	2.9	0.08
\$ 0.20	150,000	4.7	0.20
\$ 0.38	1,387,500	3.5	0.38
	1,934,822	3.5	\$ 0.11

Cash flows resulting from excess tax benefits are classified as part of cash flows from financing activities. Excess tax benefits are realized tax benefits from tax deductions for exercised options in excess of the deferred tax asset attributable to the compensation cost for such options.

**11. Warrants**

The following table summarizes the warrants outstanding at December 31, 2016:

**ECOM PRODUCTS GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**UNAUDITED**  
**DECEMBER 31, 2016**

**11. Warrants (continued)**

<b>Warrants Outstanding and Exercisable</b>			
<b>Exercise Price</b>	<b>Number Outstanding at December 31, 2016</b>	<b>Expiration</b>	
\$ 0.50	801,600	August 31, 2019	
\$ 0.38	580,240	January 20, 2020	
\$ 0.01	3,057,856	July 20, 2021	
	<u>4,439,696</u>		

**12. Subsequent events**

In January 2017 the Company completed its restructuring with several strategic acquisitions to become a full service provider of marketing, e-commerce, and cross border logistics (including import & export licenses) for global brands wanting to expand into the high growth markets of China and the United States.

Share issuances after the balance sheet date of December 31, 2016 relating to the restructuring & acquisitions:

On January 3, 2017 the Company entered into a transaction with a former Director whereby the Company exchanged a 49% interest in its wholly owned subsidiary Vacation Travel Corp for the conversion of \$52,000 of notes payable into 245,283 shares of common stock, and the subsequent assignment of those shares to specified investors under the terms of the agreement

On January 15, 2017 the Company issued 11,792,453 shares of common stock to acquire the assets of International Brands Direct, a company that provides sales platforms for global brands to sell directly to Chinese consumers.

On January 15, 2017 the Company issued 7,075,472 shares of common stock to acquire a 50% of the assets of China Search Marketing Group (CSM), a Social based marketing Company that markets to Chinese consumers.

On January 15, 2017 the Company issued 41,037,736 shares of common stock to acquire the assets of China Retail Services (CRS) and its subsidiary China Retail Logistics (CRL), a Company that provides turn-key marketing, e-commerce, and cross border logistics (including import & export licenses) to global brands to expand into the China and US markets.

On January 15, 2017, the Company issued 2,592,713 for consulting services associated with the arrangement and successful completion of the 2017 acquisition transactions.

On March 1, 2017, the Board of Directors approved three new appointments to the Board of Directors for 2-year terms; Win-Yun Wong, Stan F. Pearson, and Mark Schaub.