

TIANRONG MEDICAL GROUP, INC

UNAUDITED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

PREPARED BY MANAGEMENT

UNAUDITED

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TIANRONG MEDICAL GROUP, INC
BALANCE SHEETS
(Unaudited)

	ASSETS	March 31, 2022	December 31, 2021
			Proforma
Current assets			
	Cash	\$ 63,899	\$ 63,620
	Accounts receivable	3,916,491	5,094,562
	Other receivables	1,507,492	--
Total current assets		5,487,882	5,158,182
	Property and equipment- net	1,458	2,234
	Intangible assets	710,171	704,050
	Right to use lease	2,114,865	2,105,367
	Development costs	333,228	327,613
	Investments	40,169	39,491
	Total assets	\$ 8,687,773	\$ 8,336,937
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
	Accounts payable and accrued expense	\$ 536,070	\$ 506,860
	Other payables	876,829	864,448
	Notes payable – related parties	1,046,608	902,652
	Notes payable	145,411	142,961
	Operating lease	200,168	164,424
Total current liabilities		2,826,636	2,579,345
	Operating lease long term	493,249	484,938
Total liabilities		3,319,886	3,155,768
Stockholders' equity:			
Preferred shares, \$0.001 par value 500,000 authorized, 500,000 and zero issued and outstanding, respectively		5	5
Common stock, \$0.01 par value, 1,000,000,000 authorized, 500,000,000 issued and outstanding, respectively		500,000	500,000
Additional paid in capital		3,503,502	5,503,502
Comprehensive currency		93,980	--
Accumulated deficit		(734,574)	(730,853)
Total stockholders' equity		5,367,887	5,272,654
Total liabilities and stockholder equity		\$ 8,687,773	\$ 8,336,937

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

TIANRONG MEDICAL GROUP, INC
STATEMENTS OF OPERATIONS
AS OF MARCH 31,
(Unaudited)

	Three Months Ended	
	2022	2021
Revenue	\$ 204,610	\$ 1,337,011
Cost of sales	100,706	765,545
Gross margin	103,904	571,466
Operating expenses:		
General and administrative expense	107,756	1,153,319
Income (loss) from operations	(3,852)	(581,853)
Other income(expense)		
Other income	105	1,828
Interest expense	--	(146,385)
Total other income (expense)	105	(144,557)
Net loss	\$ (3,747)	\$ (726,409)
Net loss per share, basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding, basic and diluted	500,000,000	35,916,969

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

TIANRONG MEDICAL GROUP, INC
CHANGES IN STOCKHOLDER EQUITY

	Preferred Stock		Common Stock		Additional	Comprehensive	Stockholders'	
	Shares	Amount	Shares	Amount	Paid-In	Gain(loss)	Deficit	Equity
					Capital			
Balance at December 31, 2021	500,000	5	500,000,000	500,000	5,503,502	--	(730,853)	5,272,653
Comprehensive	--	--	--	--		93,980	--	93,980
Net loss	--	--	--	--	-		(3,747)	(3,747)
Balance at March 31, 2022	500,000	\$ 5	500,000,000	\$500,000	\$5,503,502	\$ 93,980	\$(734,600)	\$ 5,362,887

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

TIANRONG MEDICAL GROUP, INC
STATEMENTS OF CASH FLOWS
AS OF MARCH 31,

	2022	2021
Cash flows from operating activities:		
Net loss	\$ (3,747)	\$ (726,409)
Adjustments to reconcile net income to net cash		
Used in operating activities:		
Depreciation and amortization	32,849	566,878
Financing costs	--	21,721
Right to use lease	--	104,193
Changes in operating assets and liabilities:		
Loans- related parties	1,046,608	557,482
Accounts Receivable	52,274	29,291
Other adjustments	(2,045,831)	(4,244,001)
Accounts payable and accrued expenses	847,270	3,593,781
Net cash provided by (used in) operating activities	(70,577)	(97,064)
Cash flows used in investing activities		
Intangible assets	32,279	27,939
Net cash provided by (used in) investing activities	32,270	27,939
Cash flows from financing activities		
Payments of operating lease	37,279	21,721-
Net cash provided by financing activities	37,279	21,721
Effect of foreign currency on cash	--	--
Net increase (decrease) in cash	(811)	(47,404)
Cash – beginning of year	64,710	68,690
Cash – end of year	<u>\$ 63,899</u>	<u>\$ 20,686</u>
SUPPLEMENT DISCLOSURES:		
Interest paid	\$ --	\$ 146,385
Income taxes paid	\$ --	\$ --

TIANRONG MEDICAL GROUP, INC
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - DESCRIPTION AND HISTORY OF BUSINESS AND HISTORY

Tianrong Medical Group, Inc. (the "Company"), was incorporated on February 7, 2000 under the laws of the State of Nevada, to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisition. On March 10, 2020, a change of domicile was filed with the Colorado Secretary of State and is currently in good standing with the state of Colorado.

On December 28, 2020, the Company signed a definitive agreement to acquire Huan Media Company Limited, parent company of China based Sichuan Huan Media Co. Ltd., in an all-stock transaction.

On February 1, 2021, the Company issued 449,000,000 shares of common stock for the acquisition of Huan Media Company Limited.

Huan Media owns exclusive operation rights and provides free Wi-Fi services and entertainment platforms to several railway lines and in over hundreds of railway stations and trains across China. Huan Media is growing at a rapid pace, aiming at providing services to over 1 billion of annual railway passenger flow in 2021. Huan Media guarantees fully secured, uninterrupted service, even when the external 3G and 4G signals are weak or unavailable. Its unmatched platforms provide unique and exclusive services to passengers, including online ticketing, train schedule information, VIP services, onboard online shopping, travel, and hotel bookings. It also provides passengers with rich entertainment content; recent movies, hit music and mobile games. This exclusive platform is an effective advertisement and product promotion channel for location centric products to globally recognized brands. Huan Media was established in 2013. As China's number one railway transportation Wi-Fi operator and a leader in China's rail transportation information service, it focuses on the construction and operation of mobile internet in the field of public transportation, internet product development and distribution, big data analysis and scene-based precision marketing services. The company is headquartered in Chengdu, Sichuan Province, China.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Tianrong Medical Group, Inc is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Going concern – The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred cumulative deficit of (\$734,574) since its inception and requires capital for its contemplated operational and marketing activities to take place. The Company’s ability to raise additional capital through the future issuances of common stock is unknown. The obtainment of additional financing, the successful development of the Company’s contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company’s ability to continue as a going concern. The financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

Basis of Presentation – The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. All references to Generally Accepted Accounting Principles (“GAAP”) are in accordance with The FASB Accounting Standards Codification (“ASC”) and the Hierarchy of Generally Accepted Accounting Principles.

Use of estimates – The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and cash equivalents – For purposes of the statement of cash flows, the Company considers all highly liquid investments and short-term debt instruments with original maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments – The carrying amounts reflected in the balance sheets for cash, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items. The Company does not hold any investments that are available-for-sale.

As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity)

Income taxes – The Company accounts for its income taxes in accordance with FASB Codification Topic ASC 740-10, “*Income Taxes*”, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Stock-based compensation – The Company follows the guidelines in FASB Codification Topic ASC 718-10 “*Compensation-Stock Compensation*”, which provides investors and other users of financial statements with more complete and neutral financial information, by requiring that the compensation cost relating to share-based payment transactions be recognized in the financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. ASC 718-10 covers a wide range of share-based compensation arrangements, including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. As of December 31, 2021, the Company issued 15,083,031 shares of common stock with a value of \$15,083 for service.

Earnings (loss) per share – The Company reports earnings (loss) per share in accordance with Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) 260-10 “*Earnings Per Share*”, which provides for calculation of “basic” and “diluted” earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. The calculation of diluted net loss per share gives effect to common stock equivalents; however, potential common shares are excluded if their effect is anti-dilutive.

Recent Accounting Pronouncements – The Company has evaluated all recent accounting pronouncements through ASU 2017-07, and believes that none of them will have a material effect on the Company's financial position, results of operations or cash flows.

NOTE 3 –NOTES PAYABLE

The Company has \$145,411 in short term notes due on demand plus \$1,046,608 in notes payable related parties which are due on demand.

NOTE 4 – EQUITY

Preferred shares

The Company as authorized 50,000,000 shares of preferred stock with a par value of \$0.00001. Each shares has 4,000 votes to one vote for each common share.

Common stock

The Company has 1,000,000,000 shares of common stock authorized with a par value of \$0.001 per share,

NOTE 5 – SUBSEQUENT EVENTS

The Company has evaluated events subsequent events of the financial statements from March 31, 2022 through May 17, 2022 and has determined that there are no such events that would require adjustment to, or disclosure in, the financial statements.